

430. Also, petition of the Trade Union Unity Council of Greater New York, by their secretary, Rose Wortis, representing 45,000 organized workers of New York City, being vitally concerned with the problem of unemployment insurance, since thousands of their members are unemployed, have gone on record endorsing the workers' unemployment-insurance bill (H. R. 2827); to the Committee on Labor.

431. By the SPEAKER: Petition of the United Irish Societies of Brooklyn and Long Island, opposing United States membership in the World Court; to the Committee on Foreign Affairs.

432. By Mr. KENNEDY of New York: Memorial of the Senate of the State of New York, memorializing the Government of the United States, acting through the proper officials, to take appropriate action in condemning the tactics of such officials of the Mexican Government as they deem proper; to the Committee on Foreign Affairs.

433. By the SPEAKER: Petition of the city of Portland, Oreg., supporting payment of the bonus; to the Committee on Ways and Means.

## SENATE

FRIDAY, JANUARY 25, 1935

(Legislative day of Monday, Jan. 21, 1935)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal for the calendar days Wednesday, January 23, and Thursday, January 24, 1935, was dispensed with and the Journal was approved.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 117) making appropriations for relief purposes, in which it requested the concurrence of the Senate.

### ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker of the House had affixed his signature to the enrolled joint resolution (H. J. Res. 112) to clarify the definition of disagreement in section 19, World War Veterans' Act, 1924, as amended, and it was signed by the Vice President.

### CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Robinson
Ashurst	Costigan	Lewis	Russell
Austin	Couzens	Logan	Schall
Bachman	Cutting	Loung	Schwellenbach
Bailey	Davis	McCarran	Sheppard
Bankhead	Dickinson	McGill	Shipstead
Barkley	Dieterich	McNary	Smith
Bilbo	Donahey	Maloney	Steiger
Black	Duffy	Metcalf	Thomas, Okla.
Bone	Fletcher	Minton	Thomas, Utah
Borah	Frazier	Moore	Townsend
Brown	Gerry	Murphy	Trammell
Bulkley	Glass	Murray	Truman
Bulow	Gore	Neely	Vandenberg
Burke	Guffey	Norbeck	Van Nuys
Byrd	Hale	Norris	Wagner
Byrnes	Harrison	Nye	Walsh
Capper	Hastings	O'Mahoney	Wheeler
Caraway	Hayden	Pittman	White
Carey	Johnson	Pope	
Clark	Keyes	Radcliffe	
Connally	King	Reynolds	

Mr. AUSTIN. I wish to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the Philippines upon business of the Senate, and that the Senator from New Jersey [Mr. BARBOUR] is unavoidably absent.

Mr. LEWIS. I announce the absence of the Senator from Georgia [Mr. GEORGE] and the Senator from Louisiana [Mr.

OVERTON], caused by illness; the absence of the Senator from New Mexico [Mr. HATCH] and the Senator from Louisiana [Mr. LONG], detained on official business; the absence of the Senator from New York [Mr. COPELAND], necessarily detained; and I again announce the absence of the Senator from California [Mr. McADOO], the Senator from Maryland [Mr. TYDINGS], and the Senator-elect from Tennessee [Mr. McKELLAR], members of the Philippine Commission, they not having as yet returned.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

### EXECUTIVE REPORTS OF COMMITTEES

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the following nominations:

Lee M. Eddy, of Missouri, to be a member of the Railroad Retirement Board for a term of 4 years from June 27, 1934;

Garland S. Ferguson, Jr., of North Carolina, to be a Federal Trade Commissioner for a term of 7 years from September 26, 1934 (reappointment);

W. A. Ayres, of Kansas, to be a Federal Trade Commissioner for the remainder of the term expiring September 25, 1940, vice James M. Landis;

Frank R. McNinch, of North Carolina, to be a member of the Federal Power Commission for the term expiring June 22, 1939 (reappointment);

James W. Carmalt, of the District of Columbia, to be a member of the National Mediation Board, for the term expiring February 1, 1936;

John T. Williamson, of Illinois, to be a member of the Railroad Retirement Board for a term of 3 years from June 27, 1934; and

William M. Leiserson, of Ohio, to be a member of the National Mediation Board, for the term expiring February 1, 1937.

Mr. WAGNER, from the Committee on Interstate Commerce, reported favorably the following nominations:

John Carmody, of New York, to be a member of the National Mediation Board for the term expiring February 1, 1935, and also to be a member of the same board for the term expiring February 1, 1938 (reappointment); and

Murray Latimer, of New York (now chairman), to be a member of the Railroad Retirement Board for a term of 2 years from June 27, 1934.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of Alex Smith, of Alabama, to be United States marshal, northern district of Alabama, to succeed Thomas J. Kennamer, term expired.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

### BUSINESS TRANSACTED AS IN LEGISLATIVE SESSION

During the executive session the following legislative business was transacted by unanimous consent:

### NATIONAL CONSTITUTIONAL PROHIBITION

Mr. SHEPPARD. I ask unanimous consent that the two joint resolutions submitted by me yesterday, being Senate Joint Resolution 44 and Senate Joint Resolution 45, may be printed in the RECORD at this point.

There being no objection, the joint resolutions were ordered to be printed in the RECORD, as follows:

#### Senate Joint Resolution 44

Joint resolution proposing an amendment to the Constitution of the United States relating to intoxicating liquors

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution:

#### "ARTICLE —

"SECTION 1. The manufacture, sale, or transportation of alcoholic liquors within, the importation thereof into, or the exporta-

tion thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

"SEC. 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

"SEC. 3. The twenty-first amendment to the Constitution is hereby repealed."

#### Senate Joint Resolution 45

Joint resolution proposing an amendment to the Constitution of the United States relating to intoxicating liquors

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution:*

#### "ARTICLE —

"SECTION 1. Congress shall have power to prohibit the manufacture, sale, or transportation of alcoholic liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes and to enforce such prohibition by appropriate legislation.

"SEC. 2. In the event of legislation by Congress to carry out this article the States shall have power to prohibit the manufacture, sale, or transportation of alcoholic liquors for beverage purposes within their respective areas or to enact legislation in aid of that enacted by Congress to carry out this article. In the absence of legislation by Congress to carry out this article, the power to prohibit the manufacture, sale, or transportation of alcoholic liquors for beverage purposes within their respective areas is reserved to the several States.

"SEC. 3. The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of alcoholic liquors for beverage purposes, in violation of the laws thereof, is hereby prohibited.

"SEC. 4. The twenty-first article of amendment to the Constitution of the United States is hereby repealed.

"SEC. 5. The Congress shall have power to enforce this article by appropriate legislation."

#### REPORT OF SECURITIES AND EXCHANGE COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, a report covering the results of the Commission's investigation of stock-exchange government, together with its recommendations, which, with the accompanying report, was referred to the Committee on Banking and Currency.

#### INVESTIGATION OF PUBLIC-UTILITY CORPORATIONS

The VICE PRESIDENT laid before the Senate letters from the Chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 83, Seventieth Congress, first session, authorizing an investigation of public-utility corporations, two surveys, which, with the accompanying papers, were referred to the Committee on Interstate Commerce, as follows:

Chapter XII, being a survey of State laws and regulations regarding utilities and their holding companies, with five supporting legal studies; and

Chapter XIII, setting forth the present extent of Federal regulation of utility holding companies and the need and feasibility of its enlargement, with two supporting studies.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petition of Local No. 79, Stove Mounters' International Union, of Battle Creek, Mich., praying for the enactment of legislation taxing 10-cent cigarettes \$2.70 per thousand, with 15-cent and other higher-priced cigarettes to be taxed \$3 per thousand, which was referred to the Committee on Finance.

Mr. NORBECK presented the following concurrent resolution of the Legislature of the State of South Dakota, which was referred to the Committee on Agriculture and Forestry:

#### Senate Concurrent Resolution 1

(Introduced by Mr. Slocum)

A concurrent resolution relating to the proposed forest shelter belt in the Great Plains States

Whereas President Roosevelt has planned the establishment of a forest shelter belt, to be planted by the Federal Government in the Great Plains area of several Western States, including South Dakota, with the object of minimizing the destructive action of hot winds and to conserve the natural moisture of this section; and

Whereas experience has shown that trees exert an appreciable influence in modifying effects of climate as well as being of practical value in many ways; and

Whereas, due to the prolonged and unusual drought, many of the forest plantings of the original settlers have perished: Now, therefore, be it

*Resolved by the Senate of the State of South Dakota (the house of representatives concurring), That we respectfully urge the Congress of the United States to enact the proper legislation necessary to carry the President's shelter-belt plan into effect; and be it further*

*Resolved, That the Secretary of the Senate is directed to supply copies of this resolution to each of the Senators and Representatives in Congress from this State.*

ROBERT PETERSON,  
President of the Senate.  
W. J. MATSON,  
Secretary of the Senate.

Mr. SHIPSTEAD presented the following concurrent resolution adopted by the House of Representatives of the State of Minnesota, which was referred to the Committee on Foreign Relations:

#### House File No. 83

Concurrent resolution memorializing the Congress to enact legislation to protect American industry and the employees thereof against cheap foreign labor and products

Whereas the State of Minnesota and the city of Cloquet are directly interested in the manufacture of matches through the employment of several hundred persons in that city in this industry, and through several hundred farmers of Carlton, St. Louis, Lake, Itasca, Cook, Crow Wing, Aitkin, Cass, Koochiching, and Pine Counties; and

Whereas there is now pending before the President of the United States a reciprocal treaty with Sweden whereby an attempt is being made to lower the duty now imposed on matches and to increase the quota of matches that Sweden be permitted to ship into the United States; and

Whereas the greater part of the match business is found in the competitive manufacturing of the strike-on-box match rather than in the sale of the same to the ultimate consumer; and

Whereas the labor cost incurred in the manufacturing of said match in the American industries, always relatively higher than the labor cost of the foreign match, has been increased in the American industry under the N. R. A. to an even higher relative level, to wit, 11 cents per gross higher than the former American rate, while the returns from sales have increased only 2.7 cents per gross; and

Whereas the consequences of the resulting unfair competition between the American industry and the foreign industry has meant that in the Cloquet factory, and in a similarly owned and operated factory at Dixfield, Maine, the total gross sale and production has decreased during 1934 by 1,153,847 gross boxes, or 23.84 percent, with an estimated loss of employment to 2,300 American workers; and

Whereas foreign match manufacturers have been guilty of unscrupulous practices by coloring the splints and so reducing the duty paid to one-third or less of the amount intended by Congress; and

Whereas to include in the said reciprocal treaty with Sweden provisions lowering the tariff and increasing the quota of matches that Sweden be permitted to ship into the United States would seriously threaten unemployment to the approximately 850 people employed in the Cloquet (Minn.) match factory and to the approximately 300 contractors, each employing from 1 to 10 men, which contractors are farmers of Carlton, St. Louis, Lake, Cook, Itasca, Crow Wing, Aitkin, Cass, Koochiching, and Pine Counties, and who were paid for wood during the year 1934 many thousands of dollars: Therefore be it

*Resolved by the House of Representatives of the State of Minnesota (the senate concurring therein), That we hereby respectfully petition and urge the President of the United States not to include in the proposed reciprocal treaty with Sweden any provisions lowering the tariff or increasing the quota of matches that Sweden be permitted to ship into the United States; and be it further*

*Resolved, That the chief clerk be instructed to forward a copy hereof to the President of the United States, Secretary of State Cordell Hull, and Assistant Secretary Francis B. Sayre, and to each of the Minnesota Senators and Representatives in Congress.*

#### REPORTS OF COMMITTEES

Mr. ADAMS, from the Committee on Appropriations, to which was referred the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission, for the fiscal year ending June 30, 1935, reported it with amendments and submitted a report (No. 25) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 1068) to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States, concluded April 24, 1934, reported it with amendments and submitted a report (No. 26) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 403) to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections nos. 5 and 6, reported it without amendment and submitted a report (No. 27) thereon.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HALE:

A bill (S. 1427) for the relief of Lyman I. Collins; to the Committee on Military Affairs.

By Mr. DAVIS:

A bill (S. 1428) granting a pension to Homer Lenhart; and  
A bill (S. 1429) granting a pension to Samuel Johnson; to the Committee on Pensions.

Mr. ROBINSON. For the Senator from Georgia [Mr. GEORGE], who is ill, and at his request, I introduce sundry bills for appropriate reference.

By Mr. ROBINSON (for Mr. GEORGE):

A bill (S. 1430) for the relief of Harry T. Livaudais; and  
A bill (S. 1431) for the relief of the Collier Manufacturing Co., of Barnesville, Ga.; to the Committee on Claims.

A bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes"; to the Committee on Mines and Mining.

By Mr. CAPPER:

A bill (S. 1433) to authorize the Reconstruction Finance Corporation to make loans to aid in the operation and maintenance of institutions for religious instruction and worship, and for other purposes; to the Committee on Banking and Currency.

By Mr. KING:

A bill (S. 1434) to amend the act of March 4, 1933, relating to the regulation of banking in the District of Columbia; to the Committee on the District of Columbia.

By Mr. LONERGAN:

A bill (S. 1435) for the relief of Elizabeth Kurau; to the Committee on Claims.

A bill (S. 1436) for the relief of Charles E. Pease, Jr.; to the Committee on Military Affairs.

A bill (S. 1437) granting a pension to Mary P. Champion; and

A bill (S. 1438) granting a pension to Alton Lathrop; to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 1439) amending the postal laws to include as second-class matter religious periodicals publishing local information; to the Committee on Post Offices and Post Roads.

By Mr. FRAZIER:

A bill (S. 1440) to enroll on the citizenship rolls certain persons of the Choctaw and Chickasaw Nations or Tribes; and

A bill (S. 1441) for the settlement by the Secretary of the Interior of certain claims for services rendered to the Mississippi Choctaw Indians; to the Committee on Indian Affairs.

By Mr. NEELY:

A bill (S. 1442) to create an executive department of the Government to be known as the "Department of Peace"; to the Committee on the Judiciary.

A bill (S. 1443) granting the Distinguished Service Cross, also the Oak Leaf Cluster, to Acors Rathbun Thompson; to the Committee on Military Affairs.

By Mr. NYE:

A bill (S. 1444) amending section 5D of the Reconstruction Finance Act, as amended, relating to advances to industrial and commercial business; to the Committee on Banking and Currency.

By Mr. HARRISON:

A bill (S. 1445) to terminate the special excise tax imposed by section 701 of the Revenue Act of 1926; to the Committee on Finance.

By Mr. SHIPSTEAD:

A bill (S. 1446) for the relief of Knud O. Flakne;

A bill (S. 1447) for the relief of Mary C. Moran; and

A bill (S. 1448) for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918; to the Committee on Claims.

A bill (S. 1449) for the relief of Frank G. Babcock; to the Committee on Military Affairs.

A bill (S. 1450) to authorize the sale and conveyance by the Department of the Interior to C. M. Hanson, of Briceyn, Minn., or his heirs, successors, or assigns, of approximately 1¼ acres of lot 2, section 33, township 43 north, range 27 west, in the county of Mille Lacs, Minn.; to the Committee on Public Lands and Surveys.

By Mr. ADAMS:

A bill (S. 1451) to provide for the regulation of the transportation of passengers and property by water carriers operating between points in the United States in interstate commerce, and for other purposes; to the Committee on Interstate Commerce.

By Mr. CONNALLY:

A bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government; and

A bill (S. 1453) to create a board of shorthand reporting, and for other purposes; to the Committee on the Judiciary.

## HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 117) making appropriations for relief purposes was read twice by its title and referred to the Committee on Appropriations.

## COURT MARTIAL OF FORMER CAPT. OBERLIN M. CARTER

Mr. LEWIS submitted the following resolution (S. Res. 60), which was referred to the Committee on Military Affairs:

*Resolved*, That the Committee on Military Affairs is authorized and directed to investigate the facts leading to the court martial, as well as the court-martial proceedings and all the findings, in the case of former Capt. Oberlin M. Carter, United States Engineer Corps, and report to the Senate.

## THE COTTON TEXTILE INDUSTRY OF NEW ENGLAND

Mr. METCALF. Mr. President, I send to the desk and ask leave to print in the RECORD a resolution pending in the Rhode Island House of Representatives. This resolution concerns the seriousness of the cotton-textile difficulties in New England and petitions Congress to adopt remedial legislation.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the unsatisfactory conditions in the textile industry are a cause of great distress in Rhode Island, and the lack of work imposes a heavy burden upon the relief agencies in the State; and

Whereas Federal legislation is needed to correct the conditions in the textile industry and to ameliorate suffering: Therefore be it

*Resolved*, That the general assembly respectfully requests the Senators and Representatives of Rhode Island in the Congress of the United States to take such steps as will remedy the conditions now existent in the State; and be it further

*Resolved*, That copies of this resolution be transmitted by the secretary of state to the Senators and Representatives of Rhode Island in the Congress of the United States.

Mr. METCALF. Mr. President, I also send to the desk a very illuminating article by Mr. Clarence L. Linz, published in the New York Journal of Commerce on January 24, 1935, which I ask to have printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TEXTILE TRADE PLANS PROTESTS OVER LOSS OF EXPORT MARKETS—TO CITE DIP IN PAN AMERICAN, CUBA, PHILIPPINE DEMAND FOR UNITED STATES MERCHANDISE—FAILURE OF FILIPINO BILL TO BE PUT UP TO MURPHY—LOOK TO GOVERNOR GENERAL TO EXPLAIN MEASURE'S LOSS—HULL, DERN FIGURE IN TARIFF DISPUTE

By Clarence L. Linz

WASHINGTON, January 23.—Protest against the policies of the Roosevelt administration which have resulted in alleged losses of market opportunities for American textiles in the Philippine Islands and Cuba, and generally throughout Central and South America, is expected to be carried to Senate committees investi-

gating the causes for the decline in our export trade, it was revealed today.

Besieged by their constituents who already have lost, or who face loss of employment in the New England textile mills, Senator JESSE H. METCALF, Rhode Island, and Representatives EDITH NOURSE ROGERS and JOSEPH W. MARTIN, Massachusetts, among others, are proposing a conference of those interested, with a view to carrying the situation to these committees.

#### SENATE STUDY ON

One group studying the loss of our export trade is a subcommittee of the Senate Commerce Committee, under the chairmanship of Senator BAILEY, North Carolina, with Senators BACHMAN, Tennessee, and WHITE, Maine, as members. The other group will be headed by Senator SMITH, South Carolina, who has called a conference for January 30 of bankers and lint-cotton exporters, at which the textile situation also will be discussed, although not as a major feature.

Members of Congress from textile centers hope to have an opportunity to learn from Governor General Murphy why the bill proposed to be put through the Philippine Legislature never got beyond the discussion stage. Under the proposed measure, increases of 100 percent to 800 percent in the tariff rates on textiles, among other commodities, would have been provided as a means of giving preferential treatment to our own products there.

Secretary of State Hull, in response to a letter of inquiry from Representative MARTIN, said that neither the State Department nor any other department of the Government "took any part in this controversy or sought to intervene in it." He explained that in accordance with practice, the American Government had been asked to comment upon the proposed tariff legislation and that the State Department and other agencies of the Government came "independently to the same conclusion, and as a result the War Department transmitted to the Governor General the considered judgment . . . that comprehensive tariff legislation in the Philippine Islands could best be considered after further study of all the factors involved, and in connection with the development of an inclusive plan for continued relations between the United States and the Philippine Islands."

#### HULL VIEWS EMPHASIZED

Secretary Hull also said he considered it desirable "to have an early definition of the future trade relations between the United States and the Philippines." He declared that the Department had offered no objection to temporary measures designed to give protection or relief to the American textile trade in the Philippines during the period in which a general program is being worked out. That action, however, rests with the Philippine Government. Nevertheless, Representatives from the textile States attribute failure of the bill to Washington influence, as shown from the Hull letter.

Statistics showing the losses suffered by our trade in the various areas under discussion have been furnished by Walter S. Brewster, president Textile Export Association, New York.

"There are certain markets that have always—and rightfully—been considered American markets", he asserted. "We have a right to expect our Government to take any and all proper action necessary to protect the position of the American manufacturer in such logical markets as the Philippines, Cuba, Haiti, and other Central and South American Republics."

He showed that whereas 90,000,000 square yards of cotton goods had been exported to the Philippines annually (average) during the period 1925-27, the first 10 months of last year found the figure to have dwindled to 40,000,000 square yards. He declared that the hopelessness of any attempt by American cotton manufacturers to compete in world markets with Japanese textiles is clearly indicated by the merest summary of the methods used to develop the Japanese industry.

#### TEXT OF REVISION

Members of the New England delegation have been led to look into the situation surrounding the reported disapproval by the Secretary of War of the Philippine tariff revision proposed last August. The text of this revision was cabled to the War Department on August 9 for the consideration of the Secretary and his Bureau of Insular Affairs, the former having veto powers over matters of this sort.

The proposal as to textile rates was as follows: Textiles, plain and without figures, weighing 16 kilos or more per 100 square meters, having (a) up to 16 threads, kilo, 25 cents; (b) from 17 to 21 threads, kilo, 35 cents; (c) from 22 to 26 threads, kilo, 38 cents; (d) from 27 to 31 threads, kilo, 40 cents; (e) 32 threads or more, kilo, 45 cents.

Where the weight is less than 16 kilos per 100 square meters, the rates were: 30 cents, 38 cents, 42 cents, 46 cents, and 55 cents, respectively, in the counts above referred to. In the case of textiles, twilled or figured in the loom, or woven with colored yarns, weighing 20 kilos or more per 100 square meters, the rates proposed are: 30 cents, 36 cents, 41 cents, 49 cents, and 59 cents, respectively, and where weighing less than 20 kilos per 100 square meters, 35 cents, 42 cents, 49 cents, 58 cents, and 62 cents, respectively. Additional rates are provided to cover cotton textiles further advanced in production.

In the 1909 tariff law of the islands, plain textiles, for instance, weighing 8 kilos or more per 100 square meters, were given the following rates per kilo: Up to 18 threads, 10 cents; 19 to 21

threads, 14 cents; 32 to 38 threads, 20 cents; 39 to 44 threads, 26 cents; and finer, 32 cents. Lighter goods in the same counts were given the following rates: 18 cents, 27 cents, 34 cents, 40 cents, and 50 cents, respectively.

#### OTHER VARIETIES LISTED

Twilled or figured in the loom, weighing 10 kilos or more per 100 square meters, in the same counts, 14 cents, 18 cents, 24 cents, 30 cents, and 34 cents. Lighter weights of the same, 24 cents, 32 cents, 42 cents, 52 cents, and 60 cents, respectively. Piques of all kinds 38 cents per kilo.

Corresponding increases were proposed for other textiles, including silk, rayon, etc., and manufactures thereof.

Extent to which American manufacturers had hoped to benefit from the proposed tariff increases may be realized from the fact that the Hawley-Smoot tariff law provides that "all articles, the growth or product of manufacture of the United States upon which no drawback of customs duties has been allowed therein, shall be admitted to the Philippine Islands from the United States free of duty."

Under the Philippine independent nation, our exports would pay the same rates of duty as other countries. Nevertheless, it also is provided that at least 1 year prior to that time there shall be held a conference of representatives of the United States and of the islands for the purpose of formulating recommendations as to future trade relations between them.

#### THE WORLD COURT

The Senate resumed the consideration of Executive A (71st Cong., 3d sess.), protocols concerning adherence of the United States to the Court of International Justice, the pending question being the amendment of Mr. NORRIS, which is as follows:

At the end of the resolution add the following:

"Resolved further, That the adherence of the Government of the United States to said protocols and statute is upon the express condition and understanding that no dispute or question in which the United States Government is a party shall be submitted to said Permanent Court of International Justice unless such submission has been approved by the United States Senate by a two-thirds vote."

Mr. NORRIS. Mr. President, we have had some trouble this morning to secure a quorum. A Senator has suggested to me that it is because it was known I was going to address the Senate this morning, but I do not take it in that way; I think it is on account of the weather. We younger Senators ought not to complain of the old men who find it difficult to get here on time. [Laughter.]

Mr. President, I am thoroughly convinced that every Member of this body is going to cast a conscientious vote not only on the proposed reservation which is pending but upon the original resolution itself. I am as thoroughly convinced as I have ever been convinced of anything that those who are opposed to the proposed reservation are just as conscientious as I am. It seems to me this debate and the consideration of this question have shown that all the Members of this body have been moved by a conscientious desire to do what is right, by a conscientious desire to do everything possible to alleviate the horrors and sufferings of war and to bring about a world peace. So, Mr. President, whatever I shall say in favor of the reservation now pending, I do not want it to be misunderstood by anyone that I am in any way impugning the motives or questioning the conscientious convictions of any Senator who is opposed to its adoption.

The pending amendment to the resolution of adherence being, in effect, a reservation, provides that before any dispute or controversy in which the Government of the United States is a party shall be submitted to the World Court the submission of the question shall have the approval of the Senate by a two-thirds vote. I have put into the reservation the two-thirds-vote proposition because the agreement to submit is in the nature of a treaty. As I shall show, if I do not forget to do so, all such submissions, as a rule, even to the Hague Court, have been made after the submission of the question has been approved, the same as in the case of a treaty. A treaty, however, if we must enter into one for the submission of any controversy, would take more time and be perhaps more difficult and less practical, as I see it, than though we should adopt the reservation which does not require negotiations and entering into a treaty, which requires no notice whatever of what the other

government party to the controversy may do in order to bring about the submission; but it does provide that in this country, before a question is submitted to the Court, the President must have the concurrence of the Senate by a two-thirds vote just as he does in the matter of the approval of a treaty.

I have been opposed to the League of Nations. I am opposed to going into the World Court without any reservation or, to make it more clear, without this particular reservation or something that means in substance what I believe this reservation means. I am not willing to submit everything to the World Court. I am not willing to say in advance just what kind of controversy we shall be willing to submit to the World Court because in the very nature of things it is impossible now to know what controversies may arise in the future.

It is known that the President of the United States is opposed to this reservation. In the last few days it has been intimated to me, and I have noticed it has been said in the public press, that the adoption of this reservation would be an affront to the President of the United States. Of course, I do not need to tell the Senate that I would not be a party to anything involving an affront to the President. I am satisfied no Senator would be. More than that, there is, in my opinion, no justification whatever for anyone to think for a moment that this reservation is or should be considered an affront to the man who occupies the White House. I should like to talk particularly to some of my Democratic friends on that point.

Naturally Democratic Senators feel, and properly I think, that they would under any ordinary circumstances like to carry out the wishes of the President, in whom they have and I have almost unlimited confidence. We believe in his sincerity. But, Senators, we are taking action here that will have its application, if the reservation shall be adopted, to Presidents long after we have gone, after we have passed away. If we reject the particular reservation which I am discussing it will have the effect of throwing the matter into the hands of Presidents whom you do not know and whom I do not know, whose sincerity probably would be as unquestioned as that of the present President; but we do not know that to be so. In other words, we ought to consider the reservation without thinking of any particular man who is or may be President of the United States.

I do not believe the reservation can be construed as doing any injustice or offering any affront to any President if we say by it, "Before you submit a controversy to the World Court you must have the approval of the Senate of the United States, just as you have to have its approval of a treaty." We did not make the Constitution. We have lived under it and acted under it and enacted laws under it. We have lived under it for many years with the provision all the time in the Constitution that a two-thirds vote of the Senate is required for the approval of any treaty submitted by the President of the United States. In other words, the Constitution was framed on the theory that the Senate is a part of the treaty-making power of our Government.

We may have a President in the future who, let us assume, is perfectly honest and perfectly sincere, but who may have what his countrymen may think a one-sided view on some particular question that becomes a matter of controversy between our country and some other country, a man in whom, perhaps, we have the utmost confidence, but by whose judgment on that particular subject we would not be willing to abide. The adoption of this reservation will, I believe, place in the hands of the Senate the constitutional treaty-making power, a safeguard which will obviate any possible danger that might arise because of some abrupt or ill-considered action on the part of some man who may become President of the United States.

President Roosevelt is not going to be President forever. President Roosevelt will probably not be in the White House more than 6 years longer; and if he is to let the Postmaster General continue to "Farleyize" his administration, he may not be there more than 2 years longer. Whatever may happen, this reservation, if adopted, cannot do any harm to any conscientious President or to any other nation.

I have read in the public press that the reservation puts the matter in politics, that the Senate is a political body, and that it ought not, because it is a political body, to have the power to refuse a submission in case the President wants to submit a question to the World Court. That may be true. Insofar as the Members of the Senate are elected by the people, they are political; but does not the same principle apply to the President? He is elected, the same as we are, by the people of the United States. If it is objectionable because the submitting power proposed would be somewhat political, then the objection would still remain if we defeat the reservation. In fact, I think it leaves the situation much worse, because if the reservation should be adopted we would have, in the case of the submission of a question to the World Court, not only the judgment of the President but the judgment of two-thirds of the Senators.

It may be that our Constitution ought to be amended and that we ought to approve treaties by a majority vote. There are those who so believe, but the Constitution now provides that a two-thirds affirmative vote is required. Personally, I am rather inclined to believe that the care taken by our forefathers when they adopted the Constitution was fully justified. While I think I have an open mind, I do not believe, as I see it now, that I would support an amendment to the Constitution which would make it possible for the Senate to approve treaties by a majority vote. We are dealing with many questions which are not of great importance. A great many submissions will be made to the World Court, if we go into it, which probably will not be of great importance; but we do not want to close our eyes to the fact that there may be submitted some question of major importance, and it might take but one such instance to bring almost ruin upon the Government of the United States.

Mr. President, I think it is no reflection upon the President to hold that we want to pass on each question that is to be submitted before it is submitted. There is no reflection upon any other country that may be in the World Court.

I do not want to entangle my country in European questions. I am conceding very frankly that they may be just as honest as we are, just as able, just as conscientious, but they are living in a different world and are a part of another form of civilization. I wish them no harm. If I could be of assistance in the settlement of any dispute involving them, I would gladly do so. But I am not willing to take my country into a world court where the judges are men who have lived under different conditions, who have different ideas of society, who have different ideas of government, who come in the main from different kinds of governments than that under which we live.

I say this with due respect to them. They are entitled to their forms of government, to their views, to their civilization, to their society; but it does not follow that we necessarily have to go into the World Court and have questions settled by men of that kind who have grown up and lived under a different form of civilization and therefore would probably be biased on some questions to which the Government of the United States might be a party if submitted to the World Court.

Mr. President, we do not even have to believe, because we are not willing to go into the World Court, that the judges are not honest and able and that they will not do what they think is right; but, in his judgment and in his action and in his conduct and in his heart and in his soul, a man is influenced to some extent by the environment and civilization and society in which he grew to manhood. That fact influences man and becomes a part of him. He may be perfectly honest, able, and conscientious, and yet have a viewpoint which is entirely different from ours. Questions will arise and controversies may come about between our kind of government and another of which such men are a part, and it seems to me it would necessarily and naturally follow, if such a question arose, that the Court would be against us, and probably be against us conscientiously.

So, Mr. President, I am not willing to submit a controversy to the Court until its submission has been as solemnly considered as we would consider a treaty; and that is virtually what is provided for by this reservation.

It has been said in the public press that if this reservation should be agreed to, the other powers would reject it. I do not know why. This reservation was one of the reservations adopted heretofore, and, as far as I know, no complaint was made about it. While the other powers did not accept all our reservations, they did not reject the protocol on account of this particular one; and why should they care? We will not care what method is adopted by a country with which we are in dispute or disagreement before it agrees to a submission. We can have no objection if its laws, its rules, its regulations, provide that a controversy affecting it shall be submitted by a king, and by a king alone. Neither would we object if the king, in order to get consent to submit the question to the Court, had first to submit it to his parliament. That is nothing to us, and this reservation is nothing to the other countries. They will not care about it. They have no right to care. It is a matter entirely within our control.

But, Mr. President, suppose conditions were such that our adherence would be rejected by foreign governments because of this reservation: Would not that be the best reason in the world why we should stay out of the Court altogether? If they should reject our adherence because we had required the Senate to agree to submission of a question to the Court, then it seems that they would be trying, even before we adhered to the Court, to control the action of the American Government, which we could not agree to under any circumstances or conditions. If that would constitute an objection on the part of the other powers, then, in my opinion, it would be a sufficient reason why we should not go into the Court.

Mr. President, we have followed this procedure in the main from the beginning of our Government. It is not something new. We have submitted a great many controversies to The Hague when we have had disputes with other countries, and the submissions have been passed on and approved by the Senate before the cases were submitted.

When the former Roosevelt occupied the White House and Mr. Root was Secretary of State, that administration initiated the negotiation of quite a large number of arbitration treaties. Some were concluded in 1909 and others in 1908. The treaties provided for the settlement of particular questions that were stated and were submitted to The Hague; and I think in every case, without a single exception, that submission had the approval of the Senate of the United States by a two-thirds vote.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. Yes.

Mr. VANDENBERG. The Senator is entirely correct. They had to be thus submitted, because the basic convention for the pacific settlement of international disputes required it.

Mr. NORRIS. Yes; and that is all I desire to do by this reservation.

Let me read the language of one of those treaties.

While the former Roosevelt was President, part of article II of one of the treaties I have mentioned reads as follows:

In each individual case—

That means in the case of each submission—

the high contracting parties, before appealing to the Permanent Court of Arbitration, shall conclude a special agreement—

And so forth. That special agreement was to set up what the matter in dispute was; and the very next paragraph reads as follows:

It is understood that such special agreement on the part of the United States will have to be made by the President of the United States by and with the advice and consent of the Senate.

I have not examined all the treaties, but I think an examination will disclose that all of them had that identical language in them. That is what I propose to do here.

I know it can be said, "Here is some little dispute that does not amount to much. There is no danger of war, no question of race, no question of immigration, no question of that kind arising. We might just as well submit it to the Court at once. If we should not adopt this resolution, the President could submit it to the Court without taking up the time of the Senate; or it might arise in recess." Of course, if it did, if the question were sufficiently important the President could call the Senate in special session at any time to consider it. I concede that that might occur; but it must be conceded also that some question of vast international importance might arise in the same way, and might be submitted to the Court by the President when it was known that the country and the Senate would not agree to such a submission.

So, while the adoption of this reservation might be the cause of delaying consideration by the Court of some question of minor importance, which I am willing to admit is the case, that is more than counterbalanced by the fact that it would also, in the case of questions of great importance, give the Senate and the country the right to discuss them, to debate them, to suggest amendments, or to refuse their submission to the Court if it should be thought proper.

If we do not adopt this reservation, I think we shall have to concede that it would be possible—I am not saying that it will happen; I hope it will not happen; I am not thinking of any particular President we have ever had, nor of the President we have now—but it might happen that the country would be plunged into war, perhaps, on account of hasty action taken by the President when the Senate was not in session, and when no debate occurred, no discussion occurred anywhere, almost as a result of a secret arrangement.

So, Mr. President, I submit this reservation. I ask Senators to consider it fairly, and to remember that its effect may be far-reaching. No injury can come if it is agreed to; and I think the Senate ought to agree to it.

Mr. ROBINSON. Mr. President, it is rather amusing to hear the Senator from Nebraska [Mr. NORRIS] say that the failure of Senators to appear in the Chamber prior to the meeting of the Senate today has been attributed by some one to lack of interest of Senators in what he might say. Of course, I think that was a humorous allusion, not intended to be taken seriously; but, like some of my own jokes, it needs explanation or qualification.

The Senator from Nebraska and I are habitually so serious in the performance of our duties, and in attempts to perform them, that sometimes what we say in light vein is taken quite seriously by those who hear us.

There is not anyone here whose remarks are listened to with more interest and appreciation than those of the Senator from Nebraska. His long service in this body, his courage, and his ability command the respect, not only of his colleagues, but of the people of the country generally.

Let me say, however, to those who favor adherence to the World Court, that I regard the resolution of the Senator from Nebraska as of controlling and vital significance. Let it be added that, in my opinion, no Senator who wishes to make the resolution of adherence really effective will vote for the resolution of the Senator from Nebraska.

Of course, we all admit the good faith of those who oppose entry into the World Court. Sometimes it is difficult for me to understand their arguments, but it may be equally difficult for them to understand my own.

I propose now to give a brief statement of why I think the resolution of the Senator from Nebraska should be rejected. I am speaking, of course, from the standpoint of a Senator who in good faith believes that our efforts to adhere to the World Court should be made in such form and manner as will give some substantial effect to the resolution when it is adopted.

The first reason that I assign as an argument, justifying those who favor adherence, in rejecting the resolution is that it merely perpetuates the controversy we are now in, a controversy which has lasted for 11 or 12 years; and it per-

mits a renewal of that controversy on the part of those who oppose our entry into the World Court every time a proposal is made in the Senate to refer a question to the Permanent Court of International Justice.

Does anyone who hears me imagine that the Senator from California [Mr. JOHNSON], with all the record of his years of opposition to the Court behind him, will abate or discontinue his opposition when this resolution is agreed to, if it is agreed to? It is no reflection on him to say that I think he is sincere, and that he will be just as much opposed to referring a case to the Court to which he is opposed as he is to adherence to the Court under the resolution now before the Senate. So, if we wish to accomplish something really effective in adopting the resolution, we must reject the proposal of the Senator from Nebraska.

I do not wish, every time the Senate is asked to refer to the Permanent Court of International Justice a controversy or dispute between this Government and another government, to have this old straw threshed out again. Neither do I think it is wise for those who believe in the Court as an agency for the settlement of controversies between nations to place it in the power of one-third of the Senate, plus one, to prevent the peaceful composition of controversies through the agency of the Court. That is exactly what will result if the resolution of my friend, the Senator from Nebraska, should be agreed to.

It is entirely true that on previous occasions in dealing with this subject we have required reference to the Court of a controversy to be made by treaty, and it is entirely true that the treaty of 1907 for arbitration by the Permanent Court of Arbitration at The Hague required agreements for reference to be submitted to the Senate, which, of course, acts upon the matter by a two-thirds vote. However, I point out the fact that while there are some precedents to that effect, there are also numerous precedents to the contrary, and I propose to cite some of them.

A second reason, which I think should have some force in this assembly for opposing the resolution of the Senator from Nebraska is that, whether designedly or not, the effect of the resolution is to transgress upon the jurisdiction and authority of the President as defined by the Constitution. I realize that there are some who say that the Congress has frequently during recent months given extraordinary power to the President; I realize that there are some who say that the Congress has abdicated its jurisdiction and responsibility and that this would be a kind of a means of balancing up—give away something, they say, that we ought not to give away, and then take something that we ought not to have, and everybody ought to be happy, and the Government would then be properly administered. However, I do not concede that sort of an argument, and I have no patience with that conclusion.

The truth of the matter is, as I think all lawyers in the Senate will agree, that under the Constitution there are only two limitations of the power of the President to conduct our foreign relations. The first is that in any instance where an appropriation may be required to effectuate a settlement that might be made, it is necessary to submit the matter to the Congress.

The second is that where a treaty is required to effectuate a settlement it is necessary to submit the matter to the Senate for its advice and consent. But in all other cases, under the Constitution the President has the power without the advice and consent of the Senate, and without the approval of the legislative department, to conduct our foreign relations, including the settlement of disputes that may arise with other governments.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. ROBINSON. I yield.

Mr. BORAH. I did not understand the first proposition which the Senator stated as a limitation.

Mr. ROBINSON. The first proposition is that if the proposed settlement involves an appropriation by the Govern-

ment of the United States, it is necessary to submit it to the Congress, because the appropriation cannot be made except through the action of the Congress. I do not mean to say that a tentative agreement could not be entered into even in that case for submission to the Congress. On the contrary that is what I mean to say, that before the agreement can be finally carried out, whether through the exchange of notes, or by Executive agreements, it must be submitted to the Congress of the United States. That has always been done.

I now wish to ask the Senate to listen for just a moment to some of the authorities on which this assertion is based. Willoughby on The Constitution of the United States contains the following paragraph:

By virtue of the power exclusively vested in him to conduct diplomatic negotiations between this and foreign countries, the President has, since early years, entered into numerous agreements with foreign chancelleries for the settlement of claims made by American private citizens against foreign governments. In a considerable number of cases these claims have been settled by means of arbitration agreed upon between the foreign offices concerned. \* \* \*

In no case has the President attempted, without consulting the Senate, to adjust finally claims brought by foreigners against the United States.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. BORAH. Those were instances in which the President was negotiating in the interests of private citizens and not to bind his Government.

Mr. ROBINSON. Yes; or instances in which the President was negotiating in the interests and on behalf of the Government of the United States, in which instances there was no contemplation that the Government should pay any amount to the other party. I will cite the precedents a little later on.

Crandall states that—

Agreements for the adjustment of settlement of pecuniary claims of citizens against foreign governments, which meet with the approval of the claimants, and by which no obligation, except to relinquish the claim, is assumed on the part of the United States, are not usually submitted to the Senate.

There is another authority whose remarks I think will address themselves with force particularly to those of the opposition to the Court. Mr. John Bassett Moore, who is admittedly an authority on international law, says:

\* \* \* As the Executive is forbidden to bind the Government of the United States to the payment of money in the absence of authority of law, the President has never undertaken to settle claims against the United States except by means of a treaty, or by means of an agreement concluded ad referendum to Congress.

Mr. President, I have already said that there are instances in which the Senate has required submission to be made in form of a treaty, notably including the treaty of 1907 relating to The Hague arbitral tribunal. There are also cases in which the Senate imposed that condition and in which the President, or the Secretary of State acting for him, have refused to exchange the ratifications. However, there are numerous instances in which the issue has never been submitted to the Senate and in which the Executive, under his general authority to conduct foreign relations, has referred cases to arbitration.

There has been prepared, at my request, a memorandum by the State Department showing some 40 cases in which the United States has submitted, through an exchange of notes or by Executive agreement or otherwise, controversies with other nations or with their nationals, and in which cases the subject matter has never been brought before the Senate. Some of these cases are of very great importance. I do not know that I should take the time of the Senate to read them all.

Among the most celebrated international arbitrations to which the United States has been a party, that have been conducted under agreements not submitted to the Senate, may be included the case of the *Canada* (United States) against Brazil, in which an award of over \$100,000 was made; the case of the *Colonel Lloyd Aspinwall* (United States) against Spain, in which an award of \$20,000 was made; the

arbitration of claims of citizens of the United States against Spain for losses suffered in Cuba, under the agreement of February 11 to 12, 1871, whereby the United States recovered over \$1,250,000; the *Masonic* (United States) against Spain, whereby the United States recovered over \$50,000; the Van Bokkelen case (United States) against Haiti, where \$60,000 was awarded; the case of Cheek (United States) against Siam, where \$200,000 was allowed; the case of Robert H. May (United States) against Guatemala, wherein nearly \$150,000 was awarded the claimant.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. ROBINSON. I yield.

Mr. NORRIS. If the Senator from Arkansas is correct, and I think he is, that the President would not have any authority to make an agreement where there was to be money paid, or where there might be a judgment rendered against or in favor of this country for money—if that contention be correct and the President would not have authority to submit such a case without the consent of the Senate, does it not follow that the cases which the Senator is citing would be cases in which the President had exceeded his authority?

Mr. ROBINSON. Not at all. These were cases of claims either of the Government or of some citizen or corporation against a foreign government or against the nationals of a foreign government.

Mr. NORRIS. I take it that it might require an appropriation by Congress to give effect to the decision after the decision was made.

Mr. ROBINSON. No. That is the distinction—

Mr. NORRIS. Mr. President, permit me to ask the Senator a question with respect to a recent case. I do not believe that the dispute in that case was submitted to the Senate. It was a case which was decided recently, the case of the Canadian boat—

Mr. VANDENBERG. The *I'm Alone*.

Mr. NORRIS. Yes; the *I'm Alone*. As I remember it that case was not submitted to the Senate.

Mr. ROBINSON. I think not.

Mr. NORRIS. And the judgment required the payment of money by the United States.

Mr. ROBINSON. I do not recall the terms and conditions under which the *I'm Alone* case was submitted, but it certainly did not contemplate, when the case was submitted, payment by the United States.

Mr. NORRIS. Oh, I think so. I think the Senator is wrong about that. But the judgment did require, among other things, an apology.

Mr. ROBINSON. The award was against the United States.

Mr. NORRIS. Yes. Would that not be a case then in which the President had exceeded his authority?

Mr. ROBINSON. I think not. The form in which the case was submitted did not on its face involve the payment of any amount. That is my recollection.

Mr. LEWIS. Mr. President, does the Senator from Arkansas yield to the Senator from Illinois?

Mr. ROBINSON. I yield.

Mr. LEWIS. May I take the liberty to intimate to both the distinguished Senators, the Senator from Nebraska [Mr. NORRIS] and the leader on this side [Mr. ROBINSON], that sometime ago in the House of Representatives this question which the Senator from Arkansas is now presenting with conciseness, was very greatly elaborated by Henry Winter Davis, Member of Congress from Maryland, serving at that time as the Chairman of the Foreign Relations Committee, and the distinction was made there, as I believe the debate will show, as to how far the President had to have the cooperation of Congress, and there it was stated that he would only have to have such cooperation where he was dealing with a subject matter that went to the private benefit of some individual claimant, but that cooperation would involve nothing more than an appropriation.

Here I ask the Senator from Arkansas if he will not be good enough to tell the Senate how far was it the Senate went on the very contention he is making in supporting President Harding, who made the same claim the Senator from Arkansas is now making in behalf of the present President? I think it will be observed that the Senate supported President Harding in the contention that he had complete jurisdiction in all such matters.

Mr. ROBINSON. The question has frequently arisen as to the conflict of jurisdiction between the legislative department and the executive department. I take it that no Senator wishes to transgress upon the jurisdiction of the Executive. President Harding in 1923 sent to the Senate this World Court protocol. As I remember, there was no action taken on it until 1926. The Senate then, as stated by the Senator from Nebraska, adopted a resolution requiring that submissions be by treaty. I think that was erroneous; I think it was subversive; it was destructive of the wholesome aim of the adherence resolution.

I cannot state now from memory the many instances in which questions have arisen as to whether the Senate is transgressing upon the Executive or the Executive is trespassing upon the functions of the legislative department. Those questions have frequently arisen. Some of them I can recall in some detail, but I am not now proposing that the Senate shall yield its jurisdiction; I am only suggesting in this part of my argument that the Senate respect the President's jurisdiction, and my effort is to define what that jurisdiction may be.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. VANDENBERG. In the *I'm Alone* case, to which the Senator from Nebraska referred, I understand the State Department will now be under the compulsion to ask the Congress for an appropriation to pay the award. Would the Senator feel that Congress was free in any degree to consider that request upon its merits or is not the Congress bound?

Mr. ROBINSON. I should vote for the appropriation, the case having been submitted, but I do not find anything repugnant to me in that. I think it was far better to settle the case by arbitration, even though we may not have expected, in the beginning, an award to be made against us.

Mr. VANDENBERG. I quite agree; but I am asking the academic question.

Mr. ROBINSON. I have answered it; I said, "Yes; I should vote for the appropriation."

Mr. VANDENBERG. Very well. Then, does not the existence of the moral obligation, which is more or less of a compelling nature, travel back to the original situation and rob us of that authority which the Senator from Arkansas previously was describing, to take jurisdiction on its merits in any international dispute which involves an appropriation?

Mr. ROBINSON. I do not agree with that at all, for this reason: The power of appropriation is not vested exclusively in the Senate, and the Senate has not the right to inaugurate but it has the province of determining when an appropriation may be made. The power of appropriation is vested in the two Houses of the Congress, and the matter should go to the two Houses rather than to the Senate exclusively.

Let me proceed now with some of the instances in which the United States has referred to arbitration cases without the advice and consent of the Senate. There was, following the case I mentioned, the fisheries claims against Russia, in which awards in excess of \$100,000 were made to American claimants;

The Boxer Rebellion claims;

The Pious Fund claim (United States) against Mexico, wherein the claimants were awarded nearly \$1,500,000, together with certain annual payments;

The United States-Venezuelan claims, decided by a commission established under the protocol of February 17, 1903, which commission awarded more than \$2,000,000 to American claimants;

The Alsop claim (United States) against Chile, in which the United States secured an award of 2,275,375 bolivianos;

The claims of the United States against Panama, arising out of the riot at Panama City July 4, 1912, settled by arbitration in 1916, of the Minister of the Netherlands;

The Landreau case, United States against Peru, in which an award of \$125,000 was made;

The Sino-American Joint Commission of 1928 and 1929, which made awards in the amount of nearly \$450,000;

The claim of Charles J. Harrah (United States) against Cuba, where a settlement of \$350,000 was procured after arbitration in 1930;

The claim of Percy W. Schufeldt (United States) against Guatemala, also arbitrated in 1930, where an award in favor of the claimant was made in the amount of over \$225,000;

The Tripartite Claims Commission, United States, Austria, and Hungary, which Commission made awards in excess of \$500,000;

The Mixed Claims Commission, United States and Germany, established under the special agreement of August 10, 1922, which commission has made awards of more than \$265,000,000; and

The recent United States-Turkish Claims Commission, which brought about an agreement with Turkey for the payment of \$1,300,000 to American nationals.

I attach hereto a list of 40 executive agreements, exchanges of notes of protocols or arrangements not submitted to the Senate under the terms of which the United States agreed to submit a claim or claims to international arbitration.

Without taking the time to read all these 40 claims, I am going to ask that they be printed as a part of my remarks. I think there is no wholesome end to be accomplished by reading them.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

FORTY AGREEMENTS FOR ARBITRATION MADE BY THE UNITED STATES WITH FOREIGN POWERS NOT SUBMITTED TO THE SENATE FOR ITS ADVICE AND CONSENT

1. Brazil-United States, agreement of October 1842: The American schooner *John S. Bryan* was seized in the Province of Para, Brazil, in June 1836. On October 15, 1842, commissioners were appointed by the Government of Brazil and the Legation of the United States at Rio de Janeiro, respectively, pursuant to an agreement made in that month, to determine the amount of loss and damage suffered by the schooner in consequence of her seizure and detention. June 12, 1843, the commissioners awarded the sum of 26 cantos of reis, to be paid by the Imperial Government as "indemnification in full of the value of the schooner *John S. Bryan*, her cargo, freight, wages, expenses, ordinary and extraordinary, exchanges, interests, etc." (5 Moore, *International Arbitrations* (1898) 4613.)

2. Salvador-United States agreement of May 4, 1864: The claim of Henry Savage, an American citizen, for damage suffered on account of losses when the sale of gunpowder was by decree in 1852 made a monopoly of the Government of Salvador, the claimant having a large quantity of gunpowder for sale at the time of the decree, was arbitrated under an agreement of May 4, 1864. The arbitration, arranged by the American Minister, Mr. Partridge, with the approval of the Department of State, resulted in an award in favor of the claimant in the amount of nearly \$5,000. (2 Moore, (1898) 1855, 1857.)

3. Brazil-United States, signed March 14, 1870: The case of the *Canada* was referred to the arbitration of Edward Thornton, British Minister, under the terms of a protocol signed at Rio de Janeiro, March 14, 1870, by the Governments of the United States and Brazil. The United States was awarded over \$100,000 as a compensation to the owners of the vessel with which the Government of Brazil had wrongfully interfered. (2 Moore, op. cit. (1898) 1733; 5 *ibid.* 4637.)

4. Spain-United States, agreement of May 25-June 16, 1870: On May 25, 1870, Secretary of State Fish proposed to Mr. Lopez Roberts, the Spanish Minister in Washington, that the claim of the owners of the steamer *Colonel Lloyd Aspinwall* for damages on account of the seizure of that vessel by a Spanish man-of-war, and her subsequent detention at Habana, should be arbitrated in New York, each power to name a commissioner, who in turn should name the arbitrator. On June 16, Mr. Roberts informed Mr. Fish of the acceptance by the Spanish Government of his proposition for arbitration. Johannes Rösing, consul of the North German Union at New York, selected arbitrator in the manner described, gave his award, November 15, 1870, allowing the claimants \$19,702.50 in gold. (2 Moore, op. cit. 1007, 1014.)

5. Spain-United States, agreement of February 11-12, 1871: The agreement for the settlement of certain claims of citizens of the United States on account of wrongs and injuries committed by authorities of Spain in the island of Cuba, concluded at Madrid, February 11-12, 1871, was not submitted to the Senate (2 Malloy,

*Treaties, Conventions, etc.* (1910) 1651). Over one million and a quarter dollars were awarded by this Commission. (2 Moore, op. cit. (1898) 1051.)

6. Colombia-United States, agreement signed August 17, 1874: The case of the *Montijo* (United States) v. Colombia, was referred to arbitration by the two Governments, pursuant to an agreement signed at Bogota, August 17, 1874, under the terms of which two arbitrators and an umpire were selected. The umpire, Mr. Robert Bunch, British Minister to Bogota, made an award July 25, 1875, in favor of the American claimants in the amount of more than \$33,000. (2 Moore, op. cit. 1421; 5 op. cit. 4698.)

7. Haiti-United States, protocol signed May 28, 1884, extended by the additional protocol of May 20, 1885: The claims of Antonio Pelletier and A. H. Lazare, citizens of the United States, were arbitrated before William Strong, formerly an Associate Justice of the Supreme Court of the United States, as sole arbitrator, under the terms of the protocol of May 28, 1884, as extended. Judge Strong awarded Pelletier nearly \$60,000, and Lazare \$117,500. (I Malloy, *Treaties, Conventions, etc.* (1910) 932.)

8. Spain-United States, exchange of notes, November 17-25, 1884: By notes of November 17 and 25, 1884, between the American Minister at Madrid, John W. Foster, and the Spanish Minister of State, J. Elduayen, it was agreed that the claim of the United States on account of the wrongful detention and sale of the *Masonic* in 1878-79 by the Spanish authorities at Manila, Philippine Islands, under a mistake of fact, should be referred to arbitration. (1885 *Foreign Relations of the United States* 678, 681, 682.) The arbitrator appointed, Baron Blanc, Italian Minister at Madrid, made an award in favor of the United States in the amount of \$51,674.07, with interest. (2 Moore, op. cit. 1055, 1060, 1062.)

9. Haiti-United States, protocol of May 24, 1888: The claim of Charles Adrian Van Bokkelen, a citizen of the United States, against Haiti was arbitrated under the terms of the protocol of May 24, 1888, between the United States and Haiti. An award was made in favor of Van Bokkelen in the sum of \$60,000. (I Malloy, op. cit. (1910) 935; 2 Moore, op. cit. 1813.)

10. Portugal-United States and Great Britain, June 13, 1891: The protocol signed at Bern June 13, 1891, for the arbitration of the claim of American and British nationals arising out of a concession granted by Portugal to the Lourenço Marques Railroad was not submitted to the Senate. Under the terms of that protocol the Swiss Confederation appointed three arbitrators, who awarded 15,314,000 francs in favor of the American and British claimants. (II Malloy, op. cit. (1910) 1460, 1462.)

11. Mexico-United States, protocol of March 2, 1897: The protocol concerning the claims of Oberlander and Messenger, citizens of the United States, against Mexico was signed by the United States and Mexico at Washington March 2, 1897. (I Malloy, op. cit. (1910) 1180.) The protocol of agreement was not submitted to the Senate. The arbitrator, the Argentine Minister at Madrid, Señor Don Vicente G. Quesada, disallowed these claims. (*Ibid.* 1181.)

12. Siam-United States, protocol of an agreement July 26, 1897: The claim of Marion A. Cheek for indemnity on account of the wrongful interference by the Siamese Government with his property, including a concession for the working of teak forests in Siam, together with the counterclaims of the Government of Siam, were submitted to arbitration by the Governments of the United States and Siam, under the terms of a protocol of agreement signed July 26, 1897, by the Minister for Foreign Affairs of His Majesty the King of Siam and John Barrett, Minister resident and consul general of the United States at Bangkok. (1897 *Foreign Relations of the United States* 479.)

Under the terms of the agreement, Sir Nicholas J. Hannen, Her Britannic Majesty's chief justice and consul general at Shanghai, was appointed arbitrator. On March 21, 1898, the arbitrator made an award in favor of Cheek in the amount of 706,721 ticals, equivalent to \$200,000 in gold. (2 Moore, op. cit. 1908; 5 Moore, op. cit. 5068, 5069.)

13. Dominican Republic-United States, agreement of February 1898: The claim of Henry W. Thurston, an American citizen, against the Dominican Republic, arising on account of a concession to build and operate a bridge across the Ozama River in Santo Domingo City, was settled by arbitration under an agreement reached by Gen. U. Heuereaux, President of the Republic of Santo Domingo, and American representatives in Santo Domingo in February 1898. The President of the Dominican Republic agreed to purchase the bridge at its value in 1895. Alfred Noble, of Illinois, appointed arbitrator to determine the amount that the Dominican Republic should pay in settlement of the claim, awarded the claimant the sum of \$74,411.17 in gold, with interest from 1895. (1898 *Foreign Relations of the United States* 274.)

14. Peru-United States, protocol of May 17, 1898: The protocol of an agreement for the arbitration of the amount of damages to be awarded in favor of Victor H. MacCord, a citizen of the United States, signed in Washington May 17, 1898, together with the supplemental protocol, signed June 6, 1898, were not submitted to the Senate by Secretary of State William R. Day.

The arbitrator, Sir Samuel Henry Strong, Chief Justice of the Supreme Court of Canada, made an award in favor of MacCord in the amount of \$40,000. (II Malloy, op. cit. (1910) 1443, 1445.)

15. Haiti-United States, protocol of an agreement signed October 18, 1899: The protocol of an agreement between the United States and Haiti for the arbitration of the claim of *John D. Metzger & Co. (United States) v. Haiti* was not submitted to the Senate. On September 27, 1900, Hon. William R. Day made an award in

favor of the claimant in the amount of \$23,000. (I Malloy, op. cit. (1910) 936, 939.)

16 and 17. Guatemala-United States, protocol of an agreement submitting to arbitration the claim of Robert H. May against Guatemala, and the claim of Guatemala against May, signed at Washington, February 23, 1900; supplemental protocol to the agreement of February 23, 1900, signed at Washington, May 10, 1900: Robert H. May, an American citizen, claimed damages from the Guatemalan Government on account of its wrongful interference with his operation of the Guatemala Northern Railroad under the terms of a contract with the Guatemalan Government. The claim was referred to the arbitration of Mr. George Francis Birt Jenner, British Minister and Consul General to the Republics of Guatemala, Honduras, Nicaragua, Costa Rica, and Salvador, who, on November 16, 1900, made an award in favor of the claimant in the total sum of \$143,750.73 gold. (I Malloy, op. cit. 871, 873.)

18. Nicaragua-United States, protocol of March 22, 1900: The protocol of an agreement for the arbitration of the amount of damages to be awarded Orr and Laubenheimer and the Post Glover Electric Co., signed at Washington, March 22, 1900, was not submitted to the Senate by Secretary of State Hay. The arbitrator, Gen. E. P. Alexander, made awards in favor of each of the claimants in his decision of June 16, 1900. (II Malloy, op. cit. (1910) 1290, 1292.)

19. Russia-United States, protocol of August 22 and September 8, 1900: The claims of the United States against Russia, on behalf of the schooners, *James Hamilton Lewis*, *C. H. White*, *Kate and Anna*, and the *Cape Horn Pigeon*, on account of their alleged wrongful detention or seizure, were submitted to arbitration under the terms of the claims protocol, signed August 22 (Sept. 8), 1900. The protocol was not submitted to the Senate for its advice and consent. (II Malloy, op. cit. (1910) 1532.)

Awards were made in favor of the claimants in an amount in excess of \$100,000, on November 29, 1902. (Ibid. 1534.)

20. China-United States, final protocol, September 7, 1901: The final protocol entered into between the plenipotentiaries of the various powers at the conclusion of the so-called "Boxer" troubles in 1900 in China, signed September 7, 1901, by representatives of Germany, Austria-Hungary, Belgium, Spain, France, Great Britain, Italy, Japan, the Netherlands, Russia, the United States, and China, under the terms of which the powers were to receive 450,000,000 Haikwan taels, was not submitted to the Senate for its advice and consent. (II Malloy, op. cit. 2006.) Two American commissioners were appointed by the Department of State, without the advice and consent of the Senate, to pass upon the American claims, together with those of their servants. Their awards were approved by the American Minister to China, and in turn approved by the Department of State, prior to the distribution of the Boxer indemnity fund paid into the Treasury of the United States.

21. Salvador-United States, protocol of December 19, 1901: The claims of the Salvador Commercial Co. and other citizens of the United States, stockholders in the *El Triunfo Co., Ltd.*, were submitted to arbitration under the terms of the protocol for the arbitration of certain claims against Salvador signed December 19, 1901. (II Malloy, op. cit. (1910) 1568.) This protocol was not submitted to the Senate. On May 8, 1902, the arbitrators, Henry Strong, Don M. Dickinson, and José Rosa Pacas, rendered their award in favor of the claimants in the amount of \$537,178.64 (Ibid. 1570.)

22. Salvador-United States, agreement of February 1902: The claim of Rosa Gelbrunk (United States) against Salvador for \$22,654.63 was also agreed to be arbitrated by these Governments before the same arbitrators as those selected under the protocol of December 19, 1901, pursuant to an agreement arrived at by an exchange of correspondence in February 1902. The claim was disallowed by the arbitrators. (1902 Foreign Relations of the United States 873, 876.)

23. Dominican Republic-United States, convention of April 28, 1902: The claim of Madam Emilia C. de Sala, as surviving partner of J. Sala & Co. (United States), against the Dominican Republic was submitted to arbitration under the convention signed at Santo Domingo April 28, 1902. The arbitrators, the Honorable Frederick Van Dyne and Señor Don J. M. Ceballos, made an award, April 30, 1904, in favor of the claimant in the amount of \$215,812.95. (MSS., Dept. of State.)

24. Mexico-United States, protocol of May 22, 1902: The protocol for the adjustment of certain contentions arising under what is known as "the Pious Fund of the Californias", signed by the Governments of Mexico and the United States May 22, 1902, at Washington, by Secretary Hay and M. de Azpiroz, was not submitted to the Senate. The arbitration was held under the general provisions of the Hague Convention of 1899, and an award was made at The Hague in favor of the United States in the amount of \$1,420,682.67, together with certain perpetual annuities. (I Malloy, op. cit. 1194, 1198.)

25. Brazil-United States, protocol submitting to arbitration the claim of George C. Benner et al., signed September 6, 1902: The claim of George C. Benner and others against the Government of Brazil was agreed to be submitted to arbitration under the terms of the protocol of September 6, 1902, which protocol was not submitted to the Senate for its advice and consent. (I Malloy, op. cit. 152.) The claim was referred to the Swedish Minister as arbitrator, but withdrawn from his consideration November 28, 1902, for want of evidence. (Ibid. 154.)

26. United States-Santo Domingo, protocol of January 31, 1903: The arbitration protocol, signed January 31, 1903, by the Gov-

ernment of the United States and the Dominican Government for the arbitration of the claim of the San Domingo Improvement Co. (United States) against Santo Domingo, was not submitted to the Senate. (I Malloy, op. cit. (1910) 414.)

The board of arbitrators named by the two Governments to settle the claim made an award July 14, 1904, providing for the redelivery of various properties of the company to the company, and for the payment of over \$4,000,000 to the company, in stipulated annual payments. (Ibid. 417.)

27. Venezuela-United States, protocol of February 17, 1903: The protocol with Venezuela of February 17, 1903, submitting to arbitration American claims against Venezuela, under the terms of which awards in favor of the United States were made in an amount of more than \$2,000,000, was not submitted to the Senate. The commission appointed under the terms of the protocol sat at Caracas. (II Malloy, op. cit. (1910) 1870.)

28. Venezuela-Great Britain, Italy, United States et al., protocols of May 7, 1903: The protocols of agreement between Venezuela, Great Britain, and Italy, to which the United States and other powers are parties, respecting the reference of the question of the preferential treatment of claims to the tribunal at The Hague, signed at Washington, May 7, 1903, were not submitted to the Senate for its advice and consent. (II Malloy, op. cit. 1872.)

The dispute was submitted to a tribunal organized under the provisions of the Convention for the Pacific Settlement of International Disputes, signed at The Hague in 1899. The decision was made February 22, 1904. (Ibid. 1878.)

29. Venezuela-United States, claims protocol, February 13, 1909: The claim of the *Orinoco Steamship Co. (United States) v. Venezuela* (which had previously been heard and decided by the Empire Barge under the terms of the 1903 protocol between the two countries), was submitted to the arbitration of three jurists selected from the panel of the Permanent Court of Arbitration at The Hague, under the terms of the claims protocol of February 13, 1909. (II Malloy, op. cit. 1881.) An award in favor of the American claimants was made at The Hague, October 25, 1910, in the amount of approximately \$75,000.

30. Chile-United States, protocol for the arbitration of the Alsop claim, December 1, 1909: The claim of Alsop & Co., an American corporation, for \$2,803,370.36, was referred to the arbitration of His Britannic Majesty Edward VII (succeeded by George V) as amiable compositeur, under the terms of the protocol of December 1, 1909, between Chile and the United States (3 Redmond, Treaties, Conventions, etc. (1923) 2508). The award, made July 5, 1911, allowed the claimants 2,275,375 bolivianos on account of property losses. (1911 Foreign Relations of the United States 38.)

31. Panama-United States, protocol providing for the determination of the amount of damages caused by the riot at Panama City, July 4, 1912, signed at Panama, November 27, 1915: Under the terms of the protocol of November 27, 1915, claims of the United States against Panama were submitted to the arbitration of His Excellency W. L. F. C. van Rappard, Minister of the Netherlands to the Governments of the United States and Panama. The protocol was not submitted to the Senate for its advice and consent. Seventeen claims, in the total amount of \$35,000, on behalf of Americans for the injury or death of American enlisted men or civilians during the affray of July 4, 1912, at Panama City, were presented by the United States. The arbitrator allowed \$12,350 in his award of October 20, 1916. (3 Redmond, op. cit. 2778; 1916 Foreign Relations of the United States 918.)

32. Peru-United States, protocol for the arbitration of the Landreau claim against Peru, signed at Lima, May 21, 1921: The claim of *John Célestin Landreau (United States) v. Peru*, for payments due on account of guano discoveries notified to the Peruvian Government, was arbitrated in London under the terms of the protocol of May 21, 1921, between the Governments of Peru and the United States, which protocol was not submitted to the Senate for its advice and consent. The commission, composed of three members, made an award October 26, 1922, in favor of the claimant, in the amount of \$125,000. (3 Redmond, op. cit. 2797; MSS., Dept. of State.)

33. Germany-United States, special agreement of August 10, 1922: The agreement, signed at Berlin August 10, 1922, for a mixed commission to determine the amount to be paid by Germany to the United States, in satisfaction of Germany's financial obligations under the treaty concluded between the United States and Germany on August 25, 1921, was not submitted to the Senate for its advice and consent. (Treaty Series No. 665; 3 Redmond, op. cit. 2601.)

Under the terms of this agreement the Mixed Claims Commission, United States and Germany, met at Washington October 9, 1922, and has not yet terminated its labor. As of June 15, 1933, the Commission had made awards in 6,823 cases, in the total amount of \$265,939,068.37.

34. Turkey-United States, agreement of December 24, 1923: The agreement for the examination of American claims against Turkey was effected by an exchange of notes on December 24, 1923, and February 17, 1927, by which it was agreed that a claims committee should be established at Istanbul to consider the claims. This committee met at Istanbul in 1933-34 and arrived at an agreement October 25, 1934, whereby the Government of Turkey agreed to pay \$1,300,000 to the United States in settlement of the claims of American nationals.

35. Austria and Hungary-United States, agreement signed at Washington November 26, 1924: The agreement signed at Washington November 26, 1924, by the United States and Austria and Hungary for the determination of the amounts to be paid by Austria and by Hungary in satisfaction of their obligations under

the treaties concluded by the United States with Austria on August 24, 1921, and with Hungary on August 29, 1921, was not submitted to the Senate for its advice and consent. (Treaty Series No. 730.)

The Tripartite Claims Commission, established pursuant to this agreement to adjudicate claims of American nationals against those two countries for losses sustained during the World War, met in Washington in January 1926 and completed its work in 1929. In 374 cases awards were made against Austria in the amount of \$370,032.14, and in 724 cases awards were made against Hungary in the amount of \$172,619.70.

36. China-United States, exchange of notes, March 30, 1928: The Sino-American Joint Commission, organized for the settlement of American claims arising out of the unrestrained acts of Chinese soldiers at Nanking, March 24, 1927, met at Shanghai, August 27, 1928, and concluded its work March 13, 1929. This commission was established pursuant to an exchange of notes of March 30, 1928, between the United States and China. This Commission allowed \$443,588.79 United States, in 130 individual claims. (MSS., Dept. of State.)

37. Spain-United States, agreement of June 20, 1929: By an arrangement between the United States and Spain, effected by an exchange of notes, signed August 24, 1927, May 13, 1929, and June 20, 1929, the two Governments agreed that all outstanding claims between them should be taken up by representatives appointed by the two Governments. (Executive Agreement Series No. 18.) The representatives were appointed in April 1931, and had begun a series of informal conferences in Washington, when the Spanish representative was recalled on account of conditions in Spain. The matter is in abeyance at the present time, pending the appointment of a Spanish representative.

38. Cuba-United States, agreement signed at Habana, October 1, 1929: By an agreement of October 1, 1929, the Governments of the United States and Cuba agreed to submit to an arbitral commission the claim of Charles J. Harrah, an American citizen, against Cuba for the wrongful destruction of Harrah's property by Cuban authorities. (Arbitration of the claim of Charles J. Harrah, Memorial of the United States, etc. (1929) 49, Arbitration Series No. 1, MSS., Dept. of State.) The arbitrators met in Cuba, December 2, 1929. They held that the Government of Cuba was liable, but failed to reach an agreement as to the amount of damages. Subsequently, the two Governments agreed that Cuba should pay \$350,000 in full settlement of the claim. (Press release, Dept. of State, July 2, 1930.)

39. Guatemala-United States, exchange of notes, November 22, 1929: Under the terms of an exchange of notes of November 22, 1929, the Governments of Guatemala and the United States agreed to refer to the arbitration of Sir Herbert Sisnett, Kt., Chief Justice of the Supreme Court of British Honduras, the claim of P. W. Shufeldt, an American citizen, for damages on account of his losses arising from the alleged illegal cancellation of a concession for the extraction and exportation of chicle. The arbitrator made an award July 24, 1930, in favor of the claimant in the amount of \$225,468.38. (Shufeldt claim, arbitration between the United States and Guatemala (1932) 9, Arbitration Series No. 3, Dept. of State.)

40. Egypt-United States, agreement between the United States of America and Egypt, signed January 20, 1931: Under the terms of the agreement of January 20, 1931, the Governments of the United States and Egypt agreed to arbitrate the claim of George J. Salem against Egypt, a claim growing out of the alleged violation of extraterritorial privileges and denial of justice by the mixed courts of Egypt. (Executive Agreement Series No. 33.) This agreement was not submitted to the Senate for its advice and consent. The Arbitral Commission met in Vienna in November-December 1931 and disallowed the claim.

Mr. ROBINSON. I repeat that the limitation on the Executive power is that it cannot bind the Government to make appropriations, or make appropriations; and, second, that if a treaty is required to carry out a settlement which he negotiates, it must be submitted to the Senate of the United States under the Constitution.

Going back now for just a moment to the merits of the proposition, and waiving the question of the relative rights of the two departments of the Government, I repeat that the friends of the resolution of adherence should not be deceived into supporting the pending amendment merely because the Senate made a mistake on a former occasion and incorporated it substantially in the resolution of adherence. It is subversive of the purposes of the adherence resolution; it will obstruct the peaceful settlement of international disputes through the Court. A majority of the two Houses of Congress can declare a state of war, and it is implied by the Senator from Nebraska in his remarks that the President, during the vacation of Congress, or during the session of Congress, for that matter, may commit the Government to acts which result in war, but here we have the situation of Senators who profess themselves to be devoted to peaceful methods of settling disputes who propose to make it as hard as possible to use peace machinery, thus making more probable

the employment of force. I conclude my argument with the declaration that the friends of the World Court had best vote down the pending amendment to the resolution of adherence.

Mr. President, before taking my seat I should like to return to something that was said a while ago about the *I'm Alone* case. The settlement of the *I'm Alone* case was under a treaty of January 1924 between the United States, Great Britain, and Canada, which treaty gave the United States the authority to board vessels suspected of rumrunning.

Mr. STEIWER. Mr. President, I find myself unable to agree with the argument just concluded by the Senator from Arkansas [Mr. ROBINSON], and I ask the indulgence of the Senate for a few moments while I most respectfully present the reasons for my dissent.

Before I attempt to make that presentation, Mr. President, I want to observe, inasmuch as I have not heretofore discussed this resolution, that I am one of those who favors American adherence to the World Court. I shall not undertake to state the reasons for my attitude in full, but will summarize those reasons by saying that, in my opinion, civilization must organize for peace and not for war. It should employ every means to substitute law for force in the settlement of differences between nations. I feel America cannot afford to withhold permanently its support and approval of any system of international relationships which even suggests a rule of reason and justice.

Having these opinions I would be very happy if I could find myself in accord with the major premise of the Senator from Arkansas and the argument which he has just concluded against the pending amendment. He said, in effect, that if it were desired to make the pending resolution of adherence really effective it would be impossible to vote for the Norris amendment. In my humble judgment, Mr. President, the exact reverse of that proposition might be maintained. I feel that, in order to remain in the Court and to keep American sentiment in a condition favorable to the Court, it is far better from the standpoint of one who is a friend of adherence that the amendment offered by the Senator from Nebraska be agreed to.

I have not until now heard any argument presented against the principle involved in the proposal made by that Senator; indeed, a rather similar reservation or understanding was a part of the resolution of 1926. I refer to the provision which stipulates that recourse shall not be had to the Court for the settlement of differences between the United States and any other state except by special or general treaty. I appreciate that the two proposals are not identical. I have merely said they are similar in principle. The same proposal was added as an understanding and reservation to the resolution brought upon the floor of the Senate in 1932 by the late Senator Walsh, of Montana, and by the former Senator Fess, of Ohio. That resolution preserved all the reservations to the resolution of 1926, save only those that had been agreed to by the signatory powers in the protocol of accession. Now for the first time the Committee on Foreign Relations has presented to the Senate a resolution of adherence which has abandoned at least three of those reservations and understandings meant for the safeguarding of American interests.

The Senator from Arkansas [Mr. ROBINSON], by his argument against the pending amendment, seeks to justify the elimination of that reservation which provides that there shall be no recourse to the Court for the settlement of American disputes except by treaty, special or general. He states, in effect, the reservation ought to be rejected because, first, it would tend to perpetuate a controversy every time in the future that a question is to be submitted to the Court, and, second, that the proposal transgresses upon the authority of the President. I want to refer briefly to both propositions.

It is true, as I think the Senator from Nebraska might concede, that those who are opposed to the World Court and to our adherence to that Court might well find occasion to object to the submission of questions in which we have or may claim an interest or of disputes to which we are a party. But, Mr. President, why should that be

regarded as an argument against the proposal of the Senator from Nebraska? It is not to be assumed that an objection superficially made or based merely upon prejudice against the tribunal would find favor with the great body of the Members of the Senate.

I prefer to assume the Senate would consider the proposal upon its merits and even those who oppose adherence to the Court, in response to a patriotic desire to perform their duties as Senators, would consider the matter upon its merits. But if it is to be assumed that objection to the tribunal would deter Senators from considering any proposal upon its merits, then I ask what would be the effect in case the Senate defeats this amendment, and in case, in the future, the President of the United States should himself be opposed to adherence to the World Court? Would not a greater difficulty be then presented?

It seems to me there is an equal danger in failure to incorporate the reservation in the resolution of adherence than there is in its incorporation, because it is quite conceivable that a future President, in the exercise of the great authority which the Constitution confers upon him, if he be opposed to the determination of an American question by the World Court, would refrain at all times from the submission of that question.

Moreover, the attitude of the State Department or the attitude of the President with respect to the submission of a question is not a matter which is brought out into the forum of open discussion. The country might never know why the Executive at some time in the future would refrain from submitting a question.

It might be assumed it was because of the President's opposition to the World Court as a tribunal, but we would never know; whereas if the matter is brought before the Senate where there is debate in open executive session, the people immediately would be informed of the fact.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Texas?

Mr. STEIWER. I am glad to yield.

Mr. CONNALLY. A moment ago the Senator observed that Senators who are really opposed to entrance into the World Court would still support the submission of questions to it. In other words, the Senator from Oregon believes that a Senator who is now opposed to submitting any question to the World Court would then be willing to submit some questions to the World Court?

Mr. STEIWER. My regard for my colleagues is such that I think I am prepared to say that any Member of this body, even though he votes against adherence to the Court, would consider upon its merits any question that might be brought here in event the pending reservation is adopted.

Mr. CONNALLY. But when a Senator has considered it on its merits, being a Senator who honestly and conscientiously believes no question should be submitted to the World Court, then after he has considered it on its merits the Senator does not think he would still vote against submitting any question?

Mr. STEIWER. I do not think so. I think most Senators have in their hearts and minds a sufficient amount of sportsmanship and are actuated by sufficiently high motives to justify them in voting for submitting a question to the Court if it should be a question capable of judicial determination.

Mr. CONNALLY. Then why does not the Senator vote for adherence to the World Court?

Mr. STEIWER. I cannot answer why other Senators do not vote for it; but unless the Senate shall defeat the essential safeguards, I propose to vote for adherence.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nevada?

Mr. STEIWER. I yield.

Mr. PITTMAN. The Senator has suggested that there might come a time when there would be a President who would be so prejudiced against the World Court that he would not submit any question to it. The resolution or reservation of the Senator from Nebraska would not remedy

that situation. The reservation does not permit the President or the Congress or anyone else to submit a question. If the President, under the Norris reservation, desires to submit a question to the Court or agree to its submission, it is not permitted unless approved by two-thirds of the Senate; but if he chooses never to exercise the authority under the resolution of adherence, even with the reservation, then neither would function. If we really want the power vested in Congress or someone besides the Executive to submit any question, we will have to have a new treaty.

Mr. STEIWER. I think it is true, as suggested by the Senator from Nevada, that a President might be so opinionated in his objection to the World Court that he would decline to submit a question to the Senate for its consideration. I agree that the proposed reservation submitted by the Senator from Nebraska does not wholly protect against that possibility. But, on the other hand, the Executive might submit questions which the Senate and the country would not submit.

Mr. President, what was the other argument advanced by the Senator from Arkansas in opposition to the Norris reservation? As I understood it, the second proposal was that the adoption of the reservation would transgress upon the authority of the President with respect to his constitutional authority to negotiate agreements with foreign nations.

Mr. PITTMAN. Mr. President, before the Senator proceeds further may I submit another question for his consideration?

Mr. STEIWER. Certainly.

Mr. PITTMAN. Even if the treaty or the reservation should attempt to place in the Senate by a two-thirds vote, or in Congress by a majority vote or by a majority vote or by a two-thirds vote, the power to negotiate a treaty by which a question would be submitted, it would be unconstitutional, because if there is one constitutional provision upon which we all agree it is that the negotiation of treaties is exclusively within the power of the Executive.

Mr. STEIWER. That is true, and yet I cannot agree with the Senator that the proposal would be unconstitutional. I shall refer to that in a moment.

The argument made by the Senator from Arkansas was supported by the reading into the RECORD of a list of authorities disclosing cases where arbitrations have been resorted to by our Government and where a final award had been made and no action had been taken by treaty or otherwise by the Senate of the United States. I am not familiar with all the instances referred to in those different precedents. I listened very attentively to the reading of the list, and I say without hesitation that as to most of the cases in the list, if not, indeed, as to all of them, the controversy consisted of the assertion of a claim by the American Government or by an American national against some foreign government. Therefore there was not involved the possibility of an appropriation by Congress and there was no necessity, either under the requirement of the Constitution or otherwise, for the matter to be submitted to the Senate for its approval in advance.

In those cases, of which I was able to understand the nature of the controversy by the references made by the Senator from Arkansas, the award was made in favor of the American Government or an American national upon whose behalf the claim was being presented. Therefore, nothing remained for the Congress to do.

It seems to me that those cases are not at all in point upon the proposition that the retention by the Senate of authority to deal with the submission of questions to the Court transgresses the power of the President or in any other sense is violative of the Constitution of the United States.

In furtherance of that idea let me make this suggestion for the consideration of those who are interested in this immediate proposal. The reservation offered by the Senator from Nebraska does not contemplate that the President shall be sheared of his authority to negotiate with respect to these matters. It merely provides that before a question is submitted to the Court the Senate must act.

Moreover, if the resolution of adherence, which is pending before the Senate, and the reservation of the Senator from

Nebraska, both are agreed to, and the United States adheres to the Court under the Robinson resolution, as amended by the reservation offered by the Senator from Nebraska, still the President will retain all the power which he now has under the Constitution with respect to the negotiation of treaties and the settlement of international controversies, because submission to the Court is in no sense compulsory. The President can still negotiate and still refer matters to arbitration, and still adjust them through the exchange of notes without arbitration if that mode of procedure is desired. He still retains his constitutional power.

The only effect of the proposal now before the Senate is that if a matter is to be submitted to a certain tribunal to which we are to adhere by methods which are in every essential regard the same as a treaty, then, and only then, before final action is had, there must be concurrence by the Senate by a two-thirds vote.

Inasmuch as nothing is taken from the President, there is no sound ground upon which to predicate the idea that the reservation offered by the Senator from Nebraska transgresses any authority of the President of the United States.

In order more adequately to present what I conceive to be the true question before the Senate, I desire to detain the Senate a moment longer to consider what it is that we seek to do by the pending resolution.

Senators know that it is already possible for controversies in which the United States is interested to be submitted to the World Court by agreement. Senators know that the proposal embodied in the pending resolution is not for a complete or unqualified adherence. At no time since the beginning of the consideration of this question has any friend of the World Court occupying a high place in the councils of our country suggested that we should completely and fully adhere to the Court. Every suggestion that I know is a suggestion for partial adherence. That is true of the resolution of 1926. That is true of the proposal recommended by the present Chief Justice when he was Secretary of State. It is true of the resolution brought before the Senate from the Foreign Relations Committee in 1932, at the time the report to which I alluded a little while ago was made by the late Senator Walsh, of Montana, and former Senator Fess. In every case there has been a reservation that we do not agree to the optional provision for compulsory jurisdiction. In every case there has been a reservation against the rendering of advisory opinions without our consent.

Thus, we have sought to write into every resolution of adherence a reservation which stands as a bar to the jurisdiction of the Court against the rendition or consideration of any advisory opinion touching a question or dispute in which the United States has or claims an interest.

That being true, Mr. President, we may well now inquire what it is that is sought to be accomplished by this resolution of adherence. It is not, I say, to bring about a complete identification with the Court. It is merely once again to offer to bring the United States into the Court by a partial adherence, under the terms of the four reservations agreed to by the powers signatory, as expressed in the protocol of accession of 1929, and under the provisions which are expressly stated in the pending resolution of adherence.

It is interesting to note that the distinguished Senator from Arkansas [Mr. ROBINSON], in expressing his opinion upon this subject, made a very clear declaration. I ask the indulgence of the Senate while I read it. In this report, in which the Senator was speaking for the majority of the Committee on Foreign Relations, he said:

It is not proposed that the United States should agree, by the ratification of these protocols, to confer upon the Court any jurisdiction over disputes to which the United States may be a party. The ratification of the three Court protocols would not bind the United States to make any use of the Court or to go before the Court at the instance of any other state. The proposed ratification involves for the United States the single obligation to contribute to the expenses of the Court.

With the negative propositions contained in this statement I am in agreement. I think it is literally true that this resolution does not propose to confer jurisdiction; that it does not

bind the United States to submit questions for determination; that it does not require our Nation to go before the Court at the instance of any other state. With respect to the last proposition, in which it is stated that the proposed ratification involves the United States in the single obligation to contribute to the expenses of the Court, I am also substantially in agreement.

The fact of the matter is that the statute of the Court, which now permits the United States to appear before it as a party litigant, provides that in the event of such appearance the Court may require the contribution by the litigant of a fair amount for the payment of the expenses of the Court. That is to say, if we should elect, without adherence, to submit a question to the Court, we immediately would be charged with a payment and contribution for the expenses of the Court's administration. So it is that by adherence we merely change the form in which the payment might be made.

By adherence we create against ourselves an obligation to contribute to the Court's expenses, whether or not we submit a question. Without adherence we contribute only in the event we submit a question.

If we obligate ourselves to contribute whether or not we are parties litigant before the Court, it puts us in the position of agreeing to the payment of some stated sum. It is a little like paying a lawyer an annual retainer, as distinguished from paying him for each case as the work is performed. There might be no difference in the amount expended under the two systems. They merely provide two different modes of making the payment.

So, Mr. President, the statement made in the committee's report and brought upon the floor by the Senator from Arkansas should not be construed to mean that adherence creates the necessity for payment which might not otherwise exist. It merely creates an obligation on the part of the United States to keep up a continuing contribution to the expenses of the Court; and that, unfortunately, is about all that is involved in this resolution so far as our international relationships are concerned; for, as I said a while ago, we could in any event appear before the Court as litigants. We can in any event refrain from appearing before the Court as litigants. So apparently our sovereignty and the integrity of our national purpose is still in our own hands; and this long discussion, which has detained the Senate now for a considerable time, and which will detain it at least into the next week, involves, by the declaration of the Senator from Arkansas, with which I am substantially in accord, merely the question as to whether we shall assume a continuing obligation to contribute to the expenses of the Court.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from Oregon yield to the Senator from Nevada?

Mr. STEIWER. I yield to the Senator.

Mr. PITTMAN. May I suggest that probably there is one other change in the conditions as they now exist. As the conditions now exist, the Court may entertain a request for an advisory opinion over our objection, without our consent, touching a question in which we have or claim an interest. If this resolution shall be adopted and our adherence shall be accepted, that danger at least will be removed; and I may say that that was the greatest danger that I ever conceived was possible under our adherence, because, as the Senator has stated, the Court is open to us now.

The President of the United States may agree to submit a dispute either upon his own initiative or at the request of another government; but no matter how many objections the President might make against the Court rendering an advisory opinion against our objection, they could do it now. It was for that reason that I never could support adherence without reservation no. 5, which I now hold is a part of our adherence.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. JOHNSON. May I suggest to my friend from Oregon and my friend from Nevada that they are both demonstrat-

ing now that there is not anything at all in our action in going into this so-called "World Court." The Senator from Oregon has demonstrated, I think, completely that the statement made by the committee in relation to our obligations if we enter the Court, the only obligation being the payment of expenses, is really a chimerical one; that it does not differ, indeed, from the situation that exists today. The Senator from Nevada now shows that adherence to the Court amounts to nothing at all, anyway.

So we stand here today with these gentlemen saying to us, "If we go into this Court it does not mean a single, solitary thing to the United States of America, and there is no obligation that we assume save that in relation to money that already is assumed by us." Therefore, from their arguments we may conclude that all the things that have been said and all the reasons that have been quoted are of no consequence, for we are doing nothing at all.

Mr. PITTMAN. Mr. President, while I think the Senator from California very correctly expresses the opinion of the Senator from Oregon, I rose for the very purpose of differing from the Senator from Oregon as to his limitations upon the effect of our adherence by calling attention to the fact that at the present time the Court could give an advisory opinion contrary to our policy, affecting what we call our domestic interest, if you please, and we could not prevent it.

Mr. JOHNSON. And now we can.

Mr. PITTMAN. But if this adherence is accepted by the other governments, the Court will not have jurisdiction to render an advisory opinion over our objection touching any question in which we have or claim an interest. Therefore I do not state that our adherence will accomplish nothing.

Mr. JOHNSON. So we go into the Court, then, for what—for what, I ask the Senator? Will the Senator state that to me? If we do not go in upon the theory merely of paying a part of the expenses, and if we do not go in for any other purpose, and we are not going in under any circumstances anyway, what are we doing, and why are we talking here in respect to the matter?

Mr. STEIWER. Mr. President, without attempting to make answer to the question just propounded by the Senator from California, but in order to proceed to a conclusion of what I am trying to suggest, I desire to refer briefly to the suggestion made by the Senator from Nevada [Mr. PITTMAN].

I think my statement was somewhat too inclusive. I agree with the Senator from Nevada that with respect to advisory opinions—not with respect to the statutory jurisdiction of the Court, but with respect to advisory opinions—the Senator from Nevada is entirely correct, and that in the resolution of 1929, in the resolution that came from the committee in 1932, and again in the resolution which is now pending before the Senate, there is a provision which actually, or, at least, potentially, protects America against the submission of an advisory opinion against the wish of our Government. I might note with respect to that, however, that the resolution of 1929 contained language that would prevent the Court from taking jurisdiction of an advisory question in which we had or claimed an interest without the affirmative consent of our Government, whereas the pending resolution offers a bar against jurisdiction of the Court to consider rendering an advisory opinion regarding a matter in which we have or claim an interest if we make objection to such consideration.

There is, I take it, a very vital difference in the two propositions; but I did not rise to discuss that difference, and so far as I am personally concerned, my desire for adherence is such that I am not disposed to quarrel over the substitution of the proposition of protest for the original proposition of consent.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. STEIWER. I yield to the Senator from Maine.

Mr. WHITE. Is not the distinction that in the first instance the consent of the United States is required—in other words, it takes the affirmative act of the United States to confer jurisdiction upon the Court—while in the present case the form of the resolution presupposes a jurisdiction which

can be taken from the Court only by what I will call a plea to the jurisdiction by the United States?

Mr. STEIWER. That is true, Mr. President.

Mr. PITTMAN. Mr. President, I will admit that that is true—that under the pending resolution there must be an objection to the jurisdiction of the Court to entertain a request for an advisory opinion. When the first reservation was adopted by the Senate, it was in the form that the Court could not consider such a request for an advisory opinion except with our consent. The so-called "Root-Hurst protocol" provided machinery by which our Government should be notified of all applications for advisory opinions, or all intentions to ask for advisory opinions. Then we were to determine for ourselves whether it was a question affecting our interests. Otherwise, we could not know what the question was that was to be submitted to the Court until after the Court had commenced to act, and there was no provision then by which we could go into Court and divest it of its jurisdiction, as the consent possibly did not touch the jurisdiction of the Court.

Nevertheless, I claim that there is an advantage in the present situation, first because we must be notified of every attempt by the Council of the League of Nations to ask for an advisory opinion, no matter by what government it may be initiated. I think that is an advantage. In the second place, there will be ample time for the United States to study the request for an advisory opinion, and to see whether or not we claim an interest in it; and if we do that, we object.

As the Root protocol was written, there was great doubt as to whether our objection would prevent the Court from taking jurisdiction. I did not believe it prevented the Court from taking jurisdiction; therefore I insisted on reservation 5. But having objected after knowing the questions that are to be brought up, there is no question that our objection eliminates the jurisdiction of the Court to render an opinion.

Mr. WHITE. Mr. President, may I interrupt? And it has to be a challenge of the jurisdiction affirmatively made by the United States in order to divest the Court of the jurisdiction.

Mr. PITTMAN. Undoubtedly; and before that we never knew what the question was, because they never gave us notice of it.

Mr. WHITE. To interrupt once more. Was it not true under the original reservation that the Court had no jurisdiction without our express consent? In other words, in the first instance they got their jurisdiction from the affirmative consent of the United States. And is it not true that in the present situation that is precisely reversed, and the jurisdiction is presumed to exist and can be challenged only by what I will call a plea to the jurisdiction?

Mr. PITTMAN. May I answer that in my own way?

Mr. STEIWER. Yes; I yield to the Senator from Nevada.

Mr. PITTMAN. I think the Senator from Maine and I agree substantially in this, that we might never know of a request of the Court.

Mr. WHITE. Yes.

Mr. PITTMAN. The Court might proceed and render an opinion, and while it might not be legally binding upon us, because no advisory opinion is legally binding, the moral effect upon the world and upon us might injure us greatly. We could then claim that the question being one that did affect our interest, the decision was void, and the decision would be void if it affected our interests. But the unfortunate part is that after the opinion was once rendered the contention that it was void would not aid us any.

Mr. STEIWER. Mr. President, I find myself in the happy position of agreement in substance with the views just expressed by both the Senator from Maine [Mr. WHITE] and the Senator from Nevada [Mr. PITTMAN]. Personally I would prefer the original requirement of consent to the subsequent requirement of objection in the terms of the protocol, but I agree with the Senator from Nevada that there is a distinct advantage to our Government in providing the machinery that is provided under the Root formula, and a very distinct advantage in having an assurance that notice will be made to us in advance, and that we will have oppor-

tunity in a peaceful and friendly way to negotiate with respect to our claims in the premises.

I feel, moreover, Mr. President, that the action of the Committee on Foreign Relations in writing the reservation to which we are now alluding into the pending resolution is important, and that the committee ought to be commended for doing it, because, although we may place our own construction upon the Root formula, the fact is that very distinguished authorities in some part of the country have not taken the view which I believe the Senator from Nevada and which I myself have with respect to it. Some of them have said that the Root formula merely provides an alternative right; first, the right to withhold consent, and then the right to withdraw from the Court, and that it destroys our veto power; that is to say, it destroys our opportunity to offer an absolute bar to the jurisdiction of the Court.

Inasmuch as that question is controverted, and inasmuch as it introduces ambiguity into the consideration of this matter, I think it is wholly wise that the resolution of adherence should contain language of understanding as is reported to us from the Committee on Foreign Relations, that there may be no question but what if we insist upon our objection we raise a bar to the jurisdiction of the Court in any matter in which we have or claim an interest.

However, Mr. President, conceding the safeguarding element of this statement of understanding, conceding that it protects our Government against the improvident submission of a question for an advisory opinion, I insist that the fact remains that so far as this resolution of adherence is concerned, that the statement made by the committee in its report is substantially correct, and speaking now with respect to the general jurisdiction of the Court, this resolution of adherence does not accomplish a thing in the world except to create the obligation upon the United States to contribute to the expense of the Court.

But does it do something else? Mr. President, I took the floor today because of my deep belief that it does do another thing, more important perhaps than its effect upon the international relationships of our country. It seems to me that when this resolution of adherence drops out of consideration the safeguarding reservations and understandings of the earlier resolutions of adherence, it accomplishes a great deal by way of transferring authority from the Senate of the United States to the State Department. One of the resolutions of understanding which has been written upon all resolutions of adherence heretofore, is as follows:

*Resolved further, as a part of this act of ratification, That the United States approves the protocols and statute hereinabove mentioned, with the understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other state or states can be had only by agreement thereto through general or special treaties concluded between the parties in dispute.*

Mr. President, the obvious effect of this important understanding is that we reserve to ourselves the purpose never to go to that Court except that we go by special or general treaty. It means, Mr. President, that if we are to abandon our former methods of arbitration, if we are to yield up settlement of international differences by negotiation, if we are to leave behind us 150 years of the traditions of our Government in order to have recourse to a Permanent Court of International Justice, we shall do it in one way, and in one way only, and that way shall be one that will leave to the Executive his constitutional right of negotiation, but reserve to the Senate the duty and the authority to advise and to consent to the proposition which is being undertaken. It ought not to be necessary in an American parliamentary body to urge the advantages of that kind of a system. Obviously it would mean that the American people would understand something about their national affairs. Obviously the questions would be debated here. Obviously the press would carry to the country the story of the effort being made to submit a question before this important international tribunal.

And I say, Mr. President, that there is nothing in the fact of partial adherence that is half as important to the people of America as the preservation of our form of government.

There is nothing that we can gain merely by fixing upon ourselves an obligation to contribute to the expense of the Court, that means as much to the generations to come as the insistence by the Senate upon the retention of its constitutional powers and functions, and by our adherence to the well-established system of bringing our international controversies out into the open that we may have open covenants openly arrived at; that we may get away from the secret diplomacy as practiced in some parts of the Old World.

To me this question is so serious that I find it difficult to give my vote for adherence to the World Court unless the principle of the pending amendment or the provision of the earlier resolutions can be written into this resolution, so that we may know that we are adhering to the Court in the right way and not in the wrong way.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Oregon yield to the Senator from Idaho?

Mr. STEIWER. I yield.

Mr. BORAH. I agree with the Senator as to the importance of this resolution when we are thinking about the Court as a court, but how would this resolution work and how would it be effective when we are dealing with the advisory jurisdiction of the Court, which is not under the control of other nations at all but wholly under the control of the League of Nations? How would you have a treaty or an agreement in regard to this matter? We have an advisory jurisdiction. The League calls upon the Court for advice and opinion. Great Britain does not call upon the Court for an opinion. France does not call upon the Court for an opinion. The League calls upon the Court for an opinion. However, how would this resolution, which the Senator is advocating with great force, and properly, protect us with reference to the advisory jurisdiction?

Mr. STEIWER. It would not, Mr. President. It would protect us only as to the other jurisdiction of the Court. As to the advisory jurisdiction of the Court we are obliged to rely upon the understanding expressed in the resolution that there shall be no request entertained for an advisory opinion over our objection. So that we have two questions of jurisdiction, and we have two kinds of protection; one to protect us in one case and one in the other.

Mr. President, I want to conclude what I am saying. I want to conclude by stating again without being dogmatic, and merely expressing my own humble opinion, that I feel that it is better, all things considered, for the United States to take whatever unavoidable risk may be involved in this situation in order to make our Nation a party to the establishment of a permanent court of justice in the world. I feel that we owe it to ourselves.

I make no plea that we should adhere because of our duty to other nations, but I think we owe it to ourselves as a civilized nation to help organize the world for peace and not to insist that the world be organized only for war. Strongly as I feel, it seems to me that it is of the utmost importance that those of us who are the friends of adherence should insist that we adhere in a right way and not in a wrong way; that we should not defeat and destroy the very best traditions of our country; that we should not add to the concentration of power in the Executive; that we should not leave entirely to the second or the third or the fourth assistant Secretary of State the determination of our foreign policy. It is too easily conceived that the day will come when the President of the United States may not find it possible to pass judgment upon the questions which are to be presented by the notices of requests for advisory opinions. The day may come in the lives of all of us when matters of that sort will be turned over entirely to the State Department and not even the Secretary of State will be sufficiently interested to perform his functions with respect to them.

We do not know, Mr. President, to whom we are giving this power to make or withhold objection; we do not know to whom we are leaving the determination of great questions which may involve our country even to the extent of

war; we do not know when we yield up this power into whose hands the power is to fall. But we do know if the pending amendment fails the Senate loses its power to protect American interests against ill-advised Executive action.

I protest against adherence in an improvident way, and appeal to Senators, and more particularly to those who are in favor of adherence, to use the great influence that is theirs to insure that our adherence is consummated in a way that will safeguard and protect American interests, that we shall not destroy our domestic structure in our effort to do something for ourselves abroad.

Mr. JOHNSON. Mr. President, there are one or two things that have just been said in the argument which has preceded to which I wish to call attention. Both of the very eloquent Senators who have addressed the Senate said, in substance, that all that was being done by our adherence to the so-called "World Court" was in the one instance, the payment in another form of the expenses that we would have to pay in any event if we had cases before the Court; and, in the other instance, as I understood the Senator from Nevada, if we went into the Court we would be far better protected than if we should stay out, because of the reservation respecting the advisory opinions. I hope that I state accurately, in substance, what was said by my two friends.

O Mr. President, is all the propaganda with which we are familiar in this country today, based upon asking us to perform an act to which there is no substance and from which no good would flow? Are all the orators and the writers of all the books that have been published by the many gentlemen who are upon the pay roll at so much per month as propagandists outside engaged in asking, begging, bludgeoning the United States Senate into doing an utterly futile act from which no good would flow to this Government and from which humanity would derive no benefit at all? If so, there is no justification for any action on our part, but I think my senatorial friends either misapprehend or unduly minimize the importance of what we are doing.

Sir, do you know what it was that started the great World War? What was it that put into that war the great British Empire that fought the great fight for years upon European soil? It was, sir, as Earl Grey said at the time they went in, the moral obligation under which Britain felt herself by reason of what had transpired between France and Britain; and to me, as I recall, too, the words of President Wilson long ago in the debate on the League of Nations, a moral obligation, sir, is as strong and as powerful as any legal obligation, and when we go into this particular organization we go under the moral obligation to do our part.

Sir, let me recur for just an instant to a remark that was made this morning when the Senator from Arkansas asked if a question came before the Senate as to the submission of a controversy to the Court what would the Senator from California do? Would he not then endeavor to delay submission so as to render the Court nugatory. Not so, sir, with the Senator from California. If this country enters into an engagement with other countries and undertakes to do its part, I will do mine as a Senator of the United States, and any questions that might come before us in relation to matters that may be submitted to the Court would be decided upon the merits of the particular question alone. I have an opinion of the Senate of such character that I believe if questions came to us to be determined and we had undertaken the moral obligation that rested upon us as a member of the Court, every man here would stand up and do his full duty, render his decision upon the particular question presented and not upon any original or initial opposition to the World Court itself.

It is like the argument in behalf of the Court presented to us by some of our friends here to the effect that we need not go in if we do not wish and we may stay out if we desire, "a convenient instrumentality to which we may go but to which we cannot be brought."

I cannot tolerate, sir, any such argument with regard to any activity on the part of my country. If we join the

World Court, we will do our duty; if we go into it we will go in with our heads high, and with the moral obligation upon us to do our part; and no man would do it more readily than would the individual who detests this Court and is now speaking to the Senate.

Mr. PITTMAN. Mr. President, will the Senator yield for a question?

Mr. JOHNSON. I yield.

Mr. PITTMAN. Is there any question touching the interests of the United States that the Senator today would vote to submit to the World Court?

Mr. JOHNSON. I do not know. I know there are some questions I would not vote to submit to the Court, but I cannot tell the Senator that there is any question that should be submitted. I am not clear; but certainly today, before we enter the Court, I would not vote to submit any question to the Court, of course.

Now let me say to the Senator that there is something in which he is interested as well as am I, something that our friends from Oregon and our friends from Washington are interested in. They are interested in questions of immigration and questions of land tenure out in their sections. Ah, the time may come, if we go into this Court—I do not say that ultimately it will come—when we will be asked to submit not alone the question of oriental immigration that affects us so vitally in the West, but we will be asked to submit as well the question of our agricultural-land protection there concerning which there has been so much dispute and controversy. No less an advocate of the Court than the late Senator Walsh of Montana himself long ago in the discussion conceded that very fact concerning immigration. The Chinese Exclusion Act had been in force for some time—I utilize that rather than the other illustration because there is no particular controversy about it at the moment—and the late Senator Walsh in discussing the subject said in the Senate—and Senators can find it in the CONGRESSIONAL RECORD of December 21, 1925—that—

If a Chinaman should contend that he was excluded from the United States, but that he was entitled to enter by provision of that treaty, it would be a matter of international concern and not a question of domestic concern.

Any question of international concern of the character indicated the World Court would take cognizance of and have jurisdiction concerning. I would not submit what the State of California has done in relation to the Chinese question or the oriental question to any Court that sits across the sea. As my friend from Nevada will remember, within the past few years on several occasions Japanese representatives have presented to the League of Nations and the Council of the League the very questions concerning which I am now speaking, and in presenting those questions they met with a sympathetic audience.

I cannot subscribe to the idea that has been presented here that we are in exactly the position outside the Court that we would be in if we were within the Court. That I cannot for an instant concede. It violates every conception of logic which I have when it is asserted that we are in exactly the like situation so far as liability might be concerned or so far as possible injury might happen when we stay out of the Court as when we go into the Court. That is, in my opinion, something that ought to be perfectly plain to any mentality. In the Court, with the moral obligation resting upon us, we are in a totally different situation from that in which we are when we are out of the Court, and action may be taken in the one case or the other. There is an entirely dissimilar proposition presented.

So, Mr. President, I am not patient with the arguments that are made here minimizing what we are doing today. Some of our friends who sit on the other side of the aisle know full well what is in their minds. I honor them for their candor, their frankness. They are going to take us into the League of Nations, as is their right, and they avow that purpose definitely, openly, and aboveboard. That is what this proposal is intended to accomplish—to take us into the League of Nations—and that is what I do not want to happen under any circumstances.

That the Senate, if questions are presented to it under this resolution, will determine in accordance with a preconceived idea about the World Court, I again say I cannot for an instant concede. I have the idea of the Senate—it may be simply the idea of one who has grown old in service here—that has been expressed in the past. I believe in the Senate. I know that it has done its duty in days gone by. I have seen it under fire and I have seen it come forth unscathed. I believe there are men in the Senate of the United States, who, no matter what power may be exerted, no matter what influence may be brought to bear, no matter what may be the ephemeral gusts of popular favor, will risk all for the welfare of their country. I repeat the words of Daniel Webster, uttered years and years ago concerning this body:

This is a Senate—

Said he—

a Senate of equals, of men of individual honor and personal character, and of absolute independence.

Sometimes we forget that, perhaps, and sometimes, by specious argument, we endeavor to alibi ourselves concerning our independence; but, after all, in the last analysis, when our country's interests are at stake, we have, I insist, the independence that Americans should have in acting for the preservation, the happiness, the prosperity, and the welfare of our people. Webster continued:

We know no masters; we acknowledge no dictators.

I speak for no man on this floor but myself; I acknowledge no human master in all this world, and no individual can dictate my course, political or otherwise, in the Senate. I believe there are many others here who have exactly the like feeling; and those who have that like feeling, if they believe as I do, that this sort of thing that we are asked now to undertake bodes ill for the welfare of the American people, will join with me in the contest that is to be made on Monday. Rather than take the risk of harm to the Republic that all of us love, rather than to peril for a single instant the country that is ours, let us unite with the rest of those who have made this fight during the past few days in keeping this Nation free and untrammelled and independent in its judgments in the days to come.

The reservation submitted by the Senator from Nebraska simply preserves the prestige and the honor and the traditions of the American Senate. Why should we legislate the Senate out of the right to pass upon what is substantially a treaty and say we will delegate it to some other power or to some individual? If I were delegating power today I would rather delegate it to the gentleman who sits in the White House than almost any other man I know. But I am here free and independent. I am here, in the language of the great Senator from Massachusetts, recognizing no master, no dictator of any kind or any character. I am here a United States Senator believing that the obligation resting upon me is equal to the obligation that rests upon any human being in official position in all this world. So I would preserve, by the reservation of the Senator from Nebraska, what is the undoubted right of the Senate of the United States.

Mr. PITTMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Frazier	McCarran
Ashurst	Capper	Gerry	McGill
Austin	Caraway	Glass	McNary
Bachman	Carey	Gore	Maloney
Bailey	Clark	Guffey	Metcalf
Bankhead	Connally	Hale	Minton
Barkley	Coolidge	Harrison	Moore
Bilbo	Costigan	Hastings	Murphy
Black	Couzens	Hayden	Murray
Bone	Cutting	Johnson	Neely
Borah	Davis	Keyes	Norbeck
Brown	Dickinson	King	Norris
Bulkley	Dieterich	La Follette	Nye
Bulow	Donahey	Lewis	O'Mahoney
Burke	Duffy	Logan	Pittman
Byrd	Fletcher	Loneragan	Pope

Radcliffe	Sheppard	Townsend	Walsh
Reynolds	Shipstead	Trammell	Wheeler
Robinson	Smith	Truman	White
Russell	Steinwer	Vandenberg	
Schall	Thomas, Okla.	Van Nuys	
Schwellenbach	Thomas, Utah	Wagner	

Mr. LEWIS. I again make the announcement of absences of Senators as on a previous roll call, and add that the Senator from New York [Mr. COPELAND] is detained on official business.

The PRESIDING OFFICER. Eighty-five Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment submitted by the Senator from Nebraska, to the resolution of adherence.

Mr. McNARY and Mr. ROBINSON called for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. HASTINGS (when his name was called). On this question I have a pair with the senior Senator from New York [Mr. COPELAND], who is necessarily detained from the Senate. If he were present, my understanding is he would vote "nay." If I were permitted to vote, I should vote "yea."

Mr. LEWIS. I wish to announce that the Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. McADOO], and the Senator-elect from Tennessee [Mr. McKELLAR] are necessarily detained from the Senate in performance of their duties as members of the special committee to investigate conditions in the Philippine Islands.

I also announce that the Senator from New Mexico [Mr. HATCH] is necessarily absent. If present, he would vote "nay."

I desire to announce that the senior Senator from Louisiana [Mr. LONG] is necessarily detained from the Senate. I am advised that if present he would vote "aye."

I regret to announce that the junior Senator from Louisiana [Mr. OVERTON] and the Senator from Georgia [Mr. GEORGE] are detained from the Senate on account of illness.

Mr. AUSTIN. My colleague Mr. GIBSON is absent on the business of the Senate in the Philippines. He has a general pair with the Senator from California [Mr. McADOO]. I am not informed how either Senator would vote on this question.

The result was announced—yeas 37, nays 47, as follows:

#### YEAS—37

Austin	Donahey	Murphy	Thomas, Okla.
Bone	Frazier	Murray	Townsend
Borah	Gore	Norbeck	Trammell
Capper	Hale	Norris	Vandenberg
Caraway	Johnson	Nye	Walsh
Carey	La Follette	Reynolds	Wheeler
Couzens	McCarran	Russell	White
Cutting	McGill	Schall	
Davis	McNary	Shipstead	
Dickinson	Metcalf	Steinwer	

#### NAYS—47

Adams	Byrd	Harrison	Pittman
Ashurst	Byrnes	Hayden	Pope
Bachman	Clark	Keyes	Radcliffe
Bailey	Connally	King	Robinson
Bankhead	Coolidge	Lewis	Schwellenbach
Barkley	Costigan	Logan	Sheppard
Bilbo	Dieterich	Loneragan	Smith
Black	Duffy	Maloney	Thomas, Utah
Brown	Fletcher	Minton	Truman
Bulkley	Gerry	Moore	Van Nuys
Bulow	Glass	Neely	Wagner
Burke	Guffey	O'Mahoney	

#### NOT VOTING—10

Barbour	Gibson	Long	Overtton
Copeland	Hastings	McAdoo	Tydings
George	Hatch		

So the amendment of Mr. NORRIS was rejected.

The PRESIDING OFFICER. The resolution of adherence is open to further amendment.

Mr. ROBINSON. Mr. President, under the agreement that has been entered into, I am about to ask that the Senate resume the consideration of legislative business; but first I shall ask for the consideration of nominations on the calendar.

The PRESIDING OFFICER. The clerk will state the first nomination on the calendar.

## THE JUDICIARY

The legislative clerk read the nomination of Charles B. Faris, of Missouri, to be United States circuit judge for the eighth circuit.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## CUSTOMS SERVICE

The legislative clerk read the nomination of Austin J. Mahoney to be collector of customs for customs collection district no. 8, Rochester, N. Y.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## POSTMASTERS

The reading clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

That completes the calendar.

## PROMOTIONS IN THE ARMY

Mr. SHEPPARD. Mr. President, from the Committee on Military Affairs I report back favorably over 1,400 routine promotions in the Army. To print them in the usual way would require about 45 pages of the Executive Calendar and an expense of something like \$100. I ask that they be confirmed by unanimous consent, without printing, with four exceptions which we have referred to a subcommittee, as a matter of custom, on account of their importance. The report of the committee is unanimous.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, the Senator from Texas spoke to me about the matter, and I have made some investigation in the interest of economy. I find that there are a number of precedents for the action that is proposed, because these are merely routine promotions in the Army; and under those circumstances I have no objection.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. SHEPPARD. I thank the Senate.

## LEGISLATIVE SESSION

Mr. ROBINSON. I ask that the Senate return to legislative session.

The Senate resumed legislative session.

## RECONSTRUCTION FINANCE CORPORATION

Mr. FLETCHER. Mr. President, the life of the Reconstruction Finance Corporation expires on the 31st day of January. In view of the fact that there are only about 6 days remaining, it is very important to pass at this time Senate bill 1175, extending for 2 years the life of the Corporation.

I ask unanimous consent that the Senate proceed to the consideration of Senate bill 1175.

The PRESIDING OFFICER (Mr. MOORE in the chair). Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years; to authorize loans or renewals or extensions to mature not later than January 31, 1945; to empower the Corporation to buy railroad obligations, with the approval of the Interstate Commerce Commission, in aid of railroad reorganization and in certain other circumstances; to empower the Corporation (a) to aid the mortgage situation generally by the purchase of nonassessable stock in mortgage-loan companies and similar financial institutions, and to authorize the sale of stock, capital notes, or debentures purchased by the Corporation; and (b) to purchase any portion of the assets of closed banks under certain conditions; to increase the authorized investments in preferred stock and capital notes of insurance companies, or loans thereon, from \$50,000,000 to \$75,000,000; to continue the Commodity Credit Corporation and the Export-Import Banks of Washington, D. C., as agencies of the United States; and for other purposes, which had been reported

from the Committee on Banking and Currency with amendments.

Mr. KING. Mr. President, so many of us have not had an opportunity to read the bill that I suggest that it be read in extenso from the desk.

The PRESIDING OFFICER. The bill will be read.

The Chief Clerk proceeded to read the bill.

Mr. LEWIS. Mr. President, I am compelled to ask for order. It is very necessary that the purport of this bill be understood by the Senate.

The PRESIDING OFFICER. The occupants of the galleries will please preserve order. The bill will be read.

The Chief Clerk resumed the reading of the bill, and read as follows:

*Be it enacted, etc.,* That until February 1, 1937, or such earlier date as the President may fix by proclamation, the Reconstruction Finance Corporation is hereby authorized to continue to perform all functions which it is authorized to perform under law, and the liquidation and winding up of its affairs as provided for by section 13 of the Reconstruction Finance Corporation Act, as amended, are hereby postponed during the period that the functions of the Corporation are continued pursuant to this act.

SEC. 2. (a) Except as provided in section 9 of an act entitled "An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes", approved June 19, 1934, no funds shall be disbursed on any commitment or agreement hereafter made by the Reconstruction Finance Corporation to make a loan or advance, subscribe for stock, or purchase capital notes or debentures, after the expiration of 1 year from the date of such commitment or agreement; but within the period of such 1-year limitation no provision of law terminating any of the functions of the Reconstruction Finance Corporation shall be construed to prohibit disbursement of funds on commitments or agreements to make loans or advances, subscribe for preferred stock, or purchase capital notes or debentures.

(b) Notwithstanding any other provision of law, disbursement may be made at any time prior to January 31, 1936, on any commitment or agreement heretofore made by the Corporation to make a loan or advance, subscribe for preferred stock, or purchase capital notes or debentures.

SEC. 3. Notwithstanding any other provision of law limiting the maturity of obligations taken by it to shorter periods, the Reconstruction Finance Corporation may make loans or advances or renewals or extensions thereof to authorized borrowers or by other suitable agreement permit them to run so as to mature at such time or times as the Corporation may determine, not later than January 31, 1945: *Provided*, That in respect of loans or renewals or extensions of loans or purchases of obligations under section 5 of the Reconstruction Finance Corporation Act, as heretofore and herein amended (U. S. C., Supp. VII, title 15, ch. 14), to or of railroads, the Corporation may require as a condition of making any such loan or renewal or extension for a period longer than 5 years, or purchasing any such obligation maturing later than 5 years from the date of purchase by the Corporation, that such arrangements be made for the reduction or amortization of the indebtedness of the railroad, either in whole or in part, as may be approved by the Corporation after the prior approval of the Interstate Commerce Commission.

Mr. COUZENS. Mr. President, will the Senator from Utah, who asked to have the bill read, permit me to interject a question here?

Mr. KING. Certainly; I shall be very glad to have the Senator do so.

Mr. COUZENS. I should like to ask the chairman of the committee, the Senator from Florida [Mr. FLETCHER], if he understands that under this provision the Reconstruction Finance Corporation may go into the market and buy the securities of any railroad?

I ask that question particularly because it has been reported in the press that it is the contention of the Reconstruction Finance Corporation that they should be permitted to go into the open market and buy depreciated railroad securities. I confess that I was at the committee meeting and I did not ask the chairman of the committee if that was the proper interpretation of the bill. I should like to have the chairman of the committee advise me whether or not he contemplates such authority being granted to the Reconstruction Finance Corporation.

Mr. FLETCHER. Mr. President, I do not understand that it was intended to authorize the Reconstruction Finance Corporation to go into the open market and buy railroad securities. It is my understanding that only in case of emergent reorganization, or something of that sort, would they be authorized to buy such securities for the purpose of effecting transactions in the interest of the reorganization. I do not

understand that the bill simply authorizes the Corporation to go into the open market and deal or speculate in railroad stocks or bonds.

Mr. COUZENS. I think that is the interpretation which the committee put on the bill; but I observe that the language on page 3, in the section just read, is rather broad, because it authorizes the Reconstruction Finance Corporation to purchase such obligations "maturing later than 5 years from the date of purchase by the Corporation." It does not place any limitation on how they will purchase such obligations, unless the last sentence of the paragraph may be construed as a limitation. That is to the effect that they must first have the approval of the Interstate Commerce Commission, which in itself, I assume, is the obligation implied.

Mr. FLETCHER. Yes; I think that is correct.

Mr. KING. Mr. President, I am not quite satisfied with the information which has been imparted to the Senate. That is perhaps my own fault.

I should like to inquire whether it is the intention of this bill to provide a cushion for all the railroads of the United States, to furnish unlimited credit to the railroads of the United States, to buy their stocks and bonds, to aid in consolidations; and if consolidations occur which call for large credits, to supply the same.

There have been some criticisms of certain loans made to certain railroads. I do not pretend to say that the loans were improvidently made or that the criticisms were warranted; before voting for this bill I desire to know the commitments which are being made, not only to industry generally, but particularly to railroads.

I look with a good deal of apprehension upon a movement of no small proportions which contemplates the Government of the United States taking over and owning the railroads. It is possible that if the Government loans to the railroads hundreds of millions of dollars, the day may come when it may be compelled to take over some of our railroad systems.

Quite recently the Reconstruction Finance Corporation stepped in, doubtless very properly, and, if it did not take over a branch of one of the railroads, it at least has assumed an important part in the management of the railroad.

I shall be glad to be advised as to the limitations that this bill imposes upon the Reconstruction Finance Corporation in the matter of loans to corporations, and particularly to railroads.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. BARKLEY. In the first place, in reply to the Senator's question, no additional funds are provided in this bill for the Reconstruction Finance Corporation. They are authorized, under this section, as follows:

Within the foregoing limitations of this section—

That is, the limitations which have heretofore been provided in the law—

the Corporation, notwithstanding any limitation of law as to maturity, with the approval of the Interstate Commerce Commission, including approval of the price to be paid, may, to aid in the financing, reorganization, consolidation, maintenance, or construction thereof, purchase for itself, or for account of a railroad obligated thereon, the obligations of railroads engaged in interstate commerce, including equipment trust certificates, or guarantee the payment of the principal of, and/or interest on, such obligations.

There are one or two situations in which the Reconstruction Finance Corporation has already carried on negotiations with respect to the possible purchase of a portion of a railroad, for instance, a portion between St. Louis and St. Paul-Minneapolis, Minn. I understand that a tentative agreement has already been reached by which one road will purchase a certain part of that mileage, another one a certain part, and another one another certain part. The road is probably one which should never have been built, but which is serving some practical purpose and ought not to be entirely abandoned. Under this section the Reconstruction Finance Corporation, instead of lending money to the railroad in order to enable it to purchase a part of this particular line, may guarantee any obligations that are outstanding with respect to its financial structure or set-up, and the amount to which such obligations are guaranteed must be

deducted from the total sum available under the R. F. C., which would reduce its working capital to that extent. In other words, this section will permit the R. F. C. to guarantee certain obligations without going into the Treasury and using the credit of the Government to sell bonds in order to get money to turn over to the R. F. C. for the purpose of making loans to railroads.

It is not contemplated at all to go out into the general field to purchase railroad securities or to engage in any respect on a wholesale basis in the consolidation or reorganization of railroads; but the provision is placed there in general language to enable the Corporation to deal with two or three situations in a way which they think—and I think the committee was convinced—would be desirable and advisable. It does not amount to any increase at all in the obligations of the Corporation, but it enables it, without bothering the Treasury, to do what would be similar to making a loan by guaranteeing some outstanding obligation.

Mr. COUZENS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Michigan?

Mr. BARKLEY. I yield.

Mr. COUZENS. I should like to ask the Senator if he construes this bill to place any limitation upon the amount that the Reconstruction Finance Corporation may guarantee?

Mr. BARKLEY. Yes; there are two limitations: First, that whatever they do in that respect must be approved by the Interstate Commerce Commission; and, in the next place, their general limitation is the amount of money which is available to them to make loans.

Mr. COUZENS. Does that apply on the guaranty as well as with respect to the matter of loans?

Mr. BARKLEY. Yes; it applies on the guaranty, because the extent to which they guarantee any obligation is to be construed as a loan in determining the amount available to the R. F. C. for future loans.

Mr. COUZENS. The Senator wants that distinctly understood—that the guaranty remains within the limit of the total appropriation made for R. F. C. purposes?

Mr. BARKLEY. Yes; absolutely. It was put there to save two transactions, one by the Treasury and the other by the R. F. C. It was specifically provided that the guaranty should be regarded as a loan, so that the amount of the guaranty would be deducted from the total amount of the funds available.

Mr. COUZENS. May I ask the Senator another question, so long as he is discussing the bill?

I observe, on the next page, which we will come to later, a limitation of appropriations for the purpose of rehabilitating the mortgage market to \$100,000,000. It occurs to me that, on page 5, at the end of line 21, we should put in a proviso that not more than \$100,000,000 could be used for this purpose.

Mr. BARKLEY. That is language which is not necessary in the present measure, because it is a repetition of what is on the preceding page.

Mr. COUZENS. No; that is not what I am referring to. I ask the Senator from Kentucky whether or not there should be some limitation in the act on the amount of money that the R. F. C. may expend for financing railroads and for the purpose of guaranteeing railroad loans?

Mr. BARKLEY. That question was not raised in the committee—

Mr. COUZENS. Yes; I recall that.

Mr. BARKLEY. And I presume there might be the same reason for that as there might be for the elimination of the \$100,000,000 that we placed in the bill as to mortgages.

The Senator will realize that there are only two or three cases that the R. F. C. have in mind to which this provision will apply, or to which they intend it to apply. I do not know what sort of limitation would be proper. If we put the same limitation here that we do in the mortgage section, it might be regarded as a minimum. Sometimes a maximum is regarded as a minimum, and it might be regarded as an intimation on the part of Congress that they could go that far. In view of the fact that it is only expected

that this provision will cover a small territory, and with respect to two or three railroads, I believe it would be better not to put in a limitation, because there might be others who would take advantage of the limitation and come in and say, "Well, you have \$100,000,000, or \$50,000,000, and, therefore, you ought to make this loan", or "you ought to make this guaranty."

Mr. COUZENS. With all due deference to the Senator from Kentucky, I think the same thing would apply to the limitation placed on mortgage loans.

Mr. BARKLEY. The Senator will realize that that is a new departure so far as the R. F. C.'s loaning ability is concerned. It was thought desirable to put in a limitation. This is really not a new field. It is a new departure. The R. F. C. has already made many loans to railroads. The main object of this section is to permit the R. F. C. to engage in refinancing without actually going into the market for the sale of Government securities in order to obtain cash in order to make loans to the railroads; and there is a little broader power there with respect to making loans or guaranties for reorganizations or consolidations.

Mr. COUZENS. May I ask the chairman of the committee if he would have any objection to putting in a proviso limiting the amount to \$100,000,000 and letting the bill go to conference in that form and consulting with the R. F. C. officials as to the wisdom of the limitation?

I am not convinced of it myself, and I admit that there was no discussion in the Committee on Banking and Currency about providing such a limitation, but since then I have gotten the impression that there ought to be some limitation on the R. F. C. using its money to finance railroads.

While I am on my feet, if the Senator will permit me, I should like to say that it is not enough to say that there are no further appropriations made for these activities, because, in effect, all the repayments—and there have been over \$2,000,000,000 in repayments made to date—are available for this purpose. So the amount available may be very much in excess of the unexpended balances of the R. F. C. to date.

Mr. BARKLEY. In order to have the picture properly before the Senate, it ought to be stated that out of the available funds at the disposal of the R. F. C. the President has already withdrawn \$500,000,000 for relief purposes, and he expects to withdraw \$500,000,000 more, which will make a total of a billion dollars withdrawn from the available funds of the Reconstruction Finance Corporation, leaving them only about \$370,000,000, plus the repayments, which, of course, we cannot figure on to a nicety. So their total lending ability is very considerably diminished by the withdrawals for other purposes.

Mr. COUZENS. What the Senator says about the withdrawals for relief purposes is correct; but no one can contemplate how much of the loans that are still outstanding will be paid, and they run into billions of dollars. I do not want to be arbitrary about the matter, and I therefore ask about inserting a proviso limiting the loans and allowing the measure to go to conference to determine whether or not the limitation is a correct one. I ask that because, frankly, the matter was not discussed in the Committee on Banking and Currency.

Mr. BARKLEY. In that connection, permit me to make a statement. Suppose we provide a maximum of \$100,000,000. I think it within the bounds of reason to say that under the present provision the loans which the R. F. C. now has the intention to make, or the guaranties it would now make, in all likelihood would not exceed \$10,000,000. If we raise the limit to 10 times as much as the R. F. C. probably expects to loan, we open the field for all sorts of requests and pressure to make loans up to the limit of the amount fixed in the bill. There is the danger, it seems to me, and it opens the door to pressure to be brought on the R. F. C.—not that the members would succumb to it, but they ought not to be embarrassed by it.

Mr. COUZENS. I think the Senator is very optimistic about the amount being \$10,000,000, because there have been mentioned the Colorado & Southern and the New York Central and several other railroads which in all probability

will come in during the calendar year 1935 and run the requests that even now are in prospect much in excess of \$100,000,000.

Mr. BARKLEY. Of course, the R. F. C. already has authority to make loans like that to the railroads—the New York Central and these others—and it does not get any additional authority under this section.

Mr. COUZENS. Yes; it has additional authority with respect to railroad-equipment trusts, and so on. I think there should be no objection to placing a limitation on the amount and letting the matter go to conference.

Mr. FLETCHER. Mr. President, we are rather premature. We are crossing this bridge before we get to it. We are now in the midst of reading the bill. I think we ought to finish that.

Mr. COUZENS. I accept the admonition from the chairman of the committee.

Mr. FLETCHER. Then we will take up the propositions as we get to them.

Mr. KING. Mr. President, in view of a statement made by my friend from Kentucky [Mr. BARKLEY], I rise for the purpose of obtaining information. I understood him to say that from payments made to the R. F. C. the President of the United States has withdrawn \$500,000,000 for relief purposes and will withdraw \$500,000,000 more, making \$1,000,000,000 of Government funds—which it was supposed would be returned to the Treasury by the R. F. C.—which will be applied by the President of the United States to relief for unemployment. I inquire as to the authority for this withdrawal, and also whether this sum will be in addition to the \$4,880,000,000 carried in the bill which, as I understand, was under consideration by the House of Representatives yesterday?

Mr. BARKLEY. I have not seen the \$4,000,000,000 bill as it passed the House, but it is my understanding that it is an additional sum; that the billion dollars—half a billion already withdrawn and the half a billion contemplated to be withdrawn from the funds of the R. F. C.—are not included in the \$4,000,000,000 bill that has been passed by the House.

Mr. ADAMS. Mr. President, I think I can answer the first inquiry as to the authority under which the President makes his withdrawals. It is under the provisions of the last deficiency appropriation bill, which included the \$525,000,000 drought relief and the additional funds which the President was given authority to impound for relief purposes.

Mr. KING. May I ask the Senator from Colorado whether he understands that we are now to appropriate \$4,880,000,000 under the proposed general-relief and public-works program, and also validate or approve the appropriation of \$1,000,000,000 taken from this revolving fund in the hands of the R. F. C.?

Mr. ADAMS. There is no occasion for validating the taking of the money, because the authority was given for that. So far as what we propose to do is concerned, the matter is now pending before a committee of this body.

Mr. KING. Mr. President, I confess that when a measure of such importance as this is brought before us so hastily and efforts are made to rush it through the Senate within a few minutes, I am somewhat concerned as to its provisions and desirous of some explanations. Few members of the Senate are familiar with its terms and have had no opportunity to study its provisions.

I had supposed that we were to be called upon to pass a bill which merely continued the life of the R. F. C. for 2 years more. I am sure that those who have had any contact with the R. F. C., and who know those who have directed its operations, have experienced a feeling of security and have rested in the belief that the interests of the Government were being protected. We all know Mr. Jesse Jones and the great work which he has done in connection with the R. F. C. We have absolute confidence in him and have a high regard for his associates on the Board. However, I am interested in knowing how much we are appropriating, what obligations the Government assumes, what the guaranties are, what authority is conferred upon the Board, and how much may be

invested under the authority given to the purchase of securities for railroads or trust companies or any private or corporate business.

Mr. BARKLEY. Will the Senator from Utah yield to me?

Mr. KING. I yield.

Mr. BARKLEY. As I said a while ago, there is not an additional dollar made available to the Reconstruction Finance Corporation. It must operate after the passage of this act on the revolving fund it already has available, less the billion dollars which has been and will be withdrawn for relief purposes. So this bill does not in any way increase the amount of credit that can be extended in the aggregate by the R. F. C. to all those who may borrow money from it. We are not increasing, in the aggregate, the available capacity of the R. F. C. to make commitments to the railroads or any other enterprises in this country. Out of the funds available they must make all these loans. Every time they might guarantee, say, a million dollars on any obligation of a railroad that needed to be refinanced or any obligation which might be turned over or assumed by one railroad that might take a part of some other railroad which was being split up among a member, that amount would be deducted from the total available funds of the R. F. C. as if they had made a loan; and it all must be done with the approval of the Interstate Commerce Commission.

Mr. FLETCHER. Mr. President, may I say to the Senator from Utah that this bill was introduced last Friday and was printed on that day? It went to the Banking and Currency Committee. That committee had its regular meeting on Tuesday, and took it up in regular order. We had hearings on it Tuesday and Wednesday; Wednesday afternoon I reported it to the Senate, and the written report has been here ever since. Every opportunity has been given to Senators to read the bill and understand its provisions. It is not complicated at all; in fact, it is a very simple bill. The main thing is to extend the functions of the R. F. C. for 2 years.

It is said that the word "guarantee", as inserted in this measure, is new legislation, but, as the Senator from Kentucky [Mr. BARKLEY] has explained, that means simply saving another step in conducting negotiations and entering into contracts, by avoiding having to go to the Treasury, and all that sort of thing. The guaranty is charged up as if a loan had actually been made at the time. So the extension of the authority and powers here are very limited, and there is no new money called for by the bill.

I think it is a very simple proposal all the way through, and I had not contemplated any great difficulty about it in anyone's mind or any extended discussion. The printed report is here, and if any questions are desired to be asked, they will gladly be answered. The committee devoted 2 days to the consideration of the bill and hearing the representatives of the R. F. C. and others who were present and explained it.

Mr. BARKLEY. In addition to that, I will say that the hundred million dollars, which is the maximum that might be loaned to mortgage-loan companies to unfreeze the real-estate-mortgage situation, has all got to come out of the total amount heretofore made available to the R. F. C. They are not given any additional funds for that purpose. We are increasing here their capacity to make loans of funds to insurance companies from \$50,000,000 to \$60,000,000. They have already loaned \$36,000,000. The additional amount that is earmarked for the insurance companies must likewise come out of the original funds available. So it seems to me, as it seemed to the committee, that every safeguard against any increase in the aggregate amount of money that might be loaned or might be loanable by the R. F. C. has been provided for in this bill.

Mr. KING. Mr. President, the statements made by the Senator from Kentucky and the chairman of the committee, of course, give assurance to those of us who have heard them as to the provisions of the bill and as to the obligations which the Government assumes. The members of the committee which held 2 days' hearings and listened to Mr. Jones and others may have a very complete, and doubtless do have a very complete, knowledge of the terms of the bill and the

obligations assumed by the United States; but only a few Members of the Senate are members of the Banking and Currency Committee; and, moreover, while the committee was conducting hearings upon this bill, other Senate committees, among them the Committees on Finance, Judiciary, and Interstate Commerce, have been holding hearings on important measures. If one of these committees to which I have just referred had offered a bill 2 or 3 or 4 days ago, certainly the Senator from Florida would not be chided because he had not had an opportunity to read the bill or the report accompanying it. So he must not chide some of us who have not read the report and are not familiar with the bill, because we have not had an opportunity, owing to the pressure of other work upon committees.

Mr. FLETCHER. I did not mean to chide anyone. I was simply explaining that it was not a complicated measure and we are not attempting to hurry it.

Mr. BARKLEY. Mr. President, although the Senator from Utah is not a member of the committee, his mind is so keen and his perception is so accurate that even with our halting explanation he can thoroughly understand this bill.

The reading of the bill was resumed and continued to the bottom of page 5, as follows:

SEC. 4. Section 5 of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by striking out all of the third sentence of the third paragraph thereof through the first colon and inserting in lieu thereof the following: "Within the foregoing limitations of this section, the Corporation, notwithstanding any limitation of law as to maturity, with the approval of the Interstate Commerce Commission, including approval of the price to be paid, may, to aid in the financing, reorganization, consolidation, maintenance, or construction thereof, purchase for itself, or for account of a railroad obligated thereon, the obligations of railroads engaged in interstate commerce, including equipment trust certificates, or guarantee the payment of the principal of, and/or interest on, such obligations, including equipment trust certificates, or, when, in the opinion of the Corporation, funds are not available on reasonable terms through private channels, make loans, upon full and adequate security, to such railroads or to receivers or trustees thereof for the purposes aforesaid: *Provided*, That in the case of loans to or the purchase or guarantee of obligations, including equipment trust certificates, of railroads not in receivership or trusteeship, the Interstate Commerce Commission shall, in connection with its approval thereof, also certify that such railroad, on the basis of present and prospective earnings, may reasonably be expected to meet its fixed charges, without a reduction thereof through judicial reorganization, except that such certificate shall not be required in case of such loans made for the maintenance of, or purchase of equipment for, such railroads: *And provided further*, That for the purpose of determining the general funds of the Corporation available for further loans or commitments, such guaranties shall, to the extent of the principal amount of the obligations guaranteed, be interpreted as loans or commitments for loans."

SEC. 4a. Section 5 of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by striking out at the end of the third paragraph thereof the colon and the proviso, "*Provided further*, That the Corporation may make said loans to trustees of railroads which proceed to reorganize under section 77 of the Bankruptcy Act of March 3, 1933", and inserting in lieu thereof a period.

SEC. 5. The Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by inserting after section 5b thereof the following new section:

The first amendment of the Committee on Banking and Currency was, on page 6, line 3, after the word "may" and the comma, to strike out "upon the request of the Secretary of the Treasury"; in line 18, after the word "institutions" and the period to insert "The total face amount of loans outstanding, nonassessable stock subscribed for, and capital notes and debentures purchased and held by the Reconstruction Finance Corporation, under this section shall not exceed at any one time \$100,000,000"; and in line 24, after the word "may" and the comma, to strike out "with the approval of the Secretary of the Treasury, and"; so as to make the section read:

"SEC. 5c. To assist in the reestablishment of a normal mortgage market, the Reconstruction Finance Corporation may, with the approval of the President, subscribe for or make loans upon the nonassessable stock of any class of any mortgage loan company, trust company, savings-and-loan association, or other similar financial institution, now or hereafter incorporated under the laws of the United States, or of any State, or of the District of Columbia, the principal business of which institution is that of making loans upon mortgages, deeds of trust, or other instruments conveying or constituting a lien upon real estate or any interest therein. In

any case in which, under the laws of its incorporation, such financial institution is not permitted to issue nonassessable stock, the Reconstruction Finance Corporation is authorized, for the purposes of this section, to purchase the legally issued capital notes or debentures of such financial institutions. The total face amount of loans outstanding, nonassessable stock subscribed for, and capital notes and debentures purchased and held by the Reconstruction Finance Corporation, under this section, shall not exceed at any one time \$100,000,000. Notwithstanding any other provision of law, the Reconstruction Finance Corporation may, under such rules and regulations as it may prescribe (which regulations shall include at least 60 days' notice of any proposed sale to the issuer or maker), sell, at public or private sale, the whole or any part of the stock, capital notes, or debentures acquired by the Corporation pursuant to this section, and the preferred stock, capital notes, or debentures acquired pursuant to any other provision of law."

The amendment was agreed to.

The reading of the bill was resumed and continued to the end of line 6, on page 8, as follows:

SEC. 6. Section 5e (a) of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is amended (1) by inserting in the first sentence thereof after the words "the assets" and before the words "of any bank" the following: ", or any portion thereof,"; (2) by inserting in the second sentence thereof after the words "such assets" and before the words "held for the benefit" the following: ", or any portion thereof,".

SEC. 7. Notwithstanding any other provision of law, Commodity Credit Corporation, a corporation organized under the laws of the State of Delaware as an agency of the United States pursuant to the Executive order of the President of October 16, 1933, shall continue, until April 1, 1937, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States. During the continuance of such agency the Secretary of Agriculture and the Governor of Farm Credit Administration are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of Commodity Credit Corporation, and the Corporation is hereby authorized to use all its assets, including capital and net earnings therefrom, and all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions as such agency, including the making of loans on agricultural commodities.

The next amendment was, on page 8, line 14, to strike out "\$50,000,000" and insert "\$60,000,000", so as to make the section read:

SEC. 8. Section 1 of an act entitled "An act to authorize the Reconstruction Finance Corporation to subscribe for preferred stock and purchase the capital notes of insurance companies, and for other purposes", approved June 10, 1933, as amended (U. S. C., Supp. VII, title 15, ch. 14, sec. 605e), is amended by striking from the last sentence thereof "\$50,000,000" and inserting in lieu thereof "\$60,000,000."

The amendment was agreed to.

The reading of the bill was resumed, and continued to the end of line 14, on page 9, as follows:

SEC. 9. Notwithstanding any other provision of law, the Export-Import Bank of Washington, and the Second Export-Import Bank of Washington, D. C., banking corporations organized under the laws of the District of Columbia as agencies of the United States, pursuant to Executive orders of the President, shall continue, until June 16, 1937, or such earlier date as may be fixed by the President by Executive order, to be agencies of the United States, and in addition to existing charter powers, and without limitation as to the total amount of obligations thereto of any borrower, endorser, acceptor, obligor, or guarantor at any time outstanding, said banking corporations are hereby authorized and empowered to discount notes, drafts, bills of exchange, and other evidences of debt for the purpose of aiding in the financing and facilitating exports and imports and the exchange of commodities between the United States and any of its Territories and insular possessions and any foreign country or the agencies or nationals thereof, and, with the approval of the Secretary of the Treasury, to borrow money and rediscount notes, drafts, bills of exchange, and other evidences of debt for the purposes aforesaid. During the continuance of such agencies, the Secretary of State and the Secretary of Commerce are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of said banking corporations.

The next amendment was, on page 9, after line 14, to strike out the following section:

SEC. 10. No obligations, contingent or absolute, shall be incurred for the expenditure or other disposition of funds heretofore, hereby, or hereafter appropriated, or otherwise obtained for the carrying out of functions of Reconstruction Finance Corporation unless within estimates of such obligations and expenditures approved by the Director of the Budget; and, to the extent that the Secretary of the Treasury may consider practicable and under such rules and regulations as he may prescribe, there shall be main-

tained on the books of the Treasury Department such accounts as may be necessary to give full force and effect to this provision.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the reading of the bill and action on the committee amendments. The bill is still before the Senate and open to amendment.

Mr. FLETCHER. Mr. President, I desire to offer two or three amendments which I think will provide a little better arrangement for the bill.

On page 4, line 4, after "Sec. 4", I move to insert in parentheses the letter "(a)."

Mr. BARKLEY. On page 5, line 14, there is section 4 (a).

Mr. FLETCHER. I propose to move to change that to "Sec. 4 (b)." The amendment now offered is, on page 4, line 4, after "Sec. 4", insert "(a)." It is an unimportant change.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. FLETCHER. On page 5, line 13, I move to change the period to a colon. That does not change the substance of the language or intent.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. KING. Mr. President, may I ask the Senator if that would be proper if he proposes to have in line 14 a new paragraph which appears as "Sec. 4 (a)"?

Mr. FLETCHER. No; I was going to move, on page 5, line 14, to strike out "section 4 (a)" and insert "(b)."

Mr. BARKLEY. Mr. President, if the Senator will yield, the colon is necessary after line 13, because in the original act there is some language that has been omitted in this bill and that was overlooked.

Mr. FLETCHER. And I am asking, instead of having it read "section 4 (a)", to insert "(b)", which will connect it up with the other paragraph.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. FLETCHER. I wish also, Mr. President, to amend the title. It is very long and cumbersome as it is.

The PRESIDING OFFICER. The amendment of the title will come after the passage of the bill.

Mr. FLETCHER. Very well; I will do it later. Those are all the suggestions I have to make at this time.

Mr. SCHWELLENBACH. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following as a new section:

SEC. 10. (a) The first sentence of section 5d of the Reconstruction Finance Corporation Act, as amended, is amended by adding after the words "fishing industry" the words "and any business operating ferryboats or other craft solely on inland tidal waters."

(b) The second paragraph of section 5d of the Reconstruction Finance Corporation Act, as amended, is amended by striking out "1935" wherever it appears and inserting in lieu thereof "1937."

Mr. FLETCHER. Mr. President, in reference to those amendments, I think the last one is already covered in extending the functions of the Corporation for 2 years, but I have no objection to the amendment. It is probably just as well to make that change. The first part of the amendment refers to loans to business of operating ferryboats, and that sort of thing; and, while I have no particular objection to it, it is a matter entirely within the discretion of the R. F. C. whether they will make loans on business of that kind or not; and, of course, security will have to be given as the bill provides. I do not particularly object to the amendment.

Mr. KING. It is not intended, is it, that this is to be mandatory but merely within the sound discretion of the R. F. C., and loans are to be made upon adequate security?

Mr. SCHWELLENBACH. I will say that the authorities at the R. F. C. have felt that the present law would cover cases of this kind, but their legal counsel have advised them that the terms "industrial" and "commercial" do not cover

cases of this kind. They are perfectly willing to have them included, and they think it was intended to cover them under the old law.

Mr. BARKLEY. Have they made any such loans under the old law?

Mr. SCHWELLENBACH. No; they have not made any such loans, because their counsel said that the terms of the law did not include boat companies operating on inland tidal waters. They are perfectly willing to have this particular amendment considered, and are favorable to it, as I understand.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. SCHWELLENBACH].

The amendment was agreed to.

Mr. LONERGAN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, at the end of the bill, to insert the following new section:

SEC. 11. The second sentence of the first paragraph of section 5(d) of the Reconstruction Finance Corporation Act, as amended, is amended by striking out "adequately secured" and inserting in lieu thereof "so secured as to reasonably assure repayment of the loans."

Mr. LONERGAN. I may say that this amendment meets with the approval of the directors of the R. F. C. and the Chairman of the Committee on Banking and Currency of the Senate [Mr. FLETCHER].

Mr. COUZENS. Mr. President, I should like an explanation as to how the Senator from Connecticut proposes to change the authority of the R. F. C. as between the language now in the act and the language he proposes to use.

Mr. LONERGAN. My amendment would give discretionary power to the directors of the Reconstruction Finance Corporation as to whether the security was such as to reasonably assure repayment of the loan.

Mr. COUZENS. What is the difference between that and "adequate security"?

Mr. LONERGAN. I will give the Senator from Michigan an illustration. Take a manufacturer who has exhausted all his resources, whose plant has been closed 2 or 3 years. He is now in position to get orders to keep his plant in operation for 6 or 8 months. He cannot borrow money at the bank with which he and his concern may have been associated for 40 or 50 or even 75 or 100 years. The only security the manufacturer can offer is a mortgage on the plant. That would have to be regarded as "reasonable security" as against "adequate security", because in these times, if conditions are to continue as they are, the average manufacturing plant sold under the hammer probably would sell for 25 cents on the dollar. The only way to encourage industry is to liberalize the law and give discretionary authority to the officers of the R. F. C. to exercise their judgment and say what is reasonable and what is adequate.

Mr. BARKLEY. Mr. President, will the Senator from Connecticut yield?

Mr. LONERGAN. Certainly.

Mr. BARKLEY. The object is, as I understand, to authorize them to accept less than adequate security.

Mr. LONERGAN. Yes; to let them exercise their discretion. The moral risk is an important element.

Mr. COUZENS. Mr. President, will the Senator from Connecticut yield so that I may ask him a question?

Mr. LONERGAN. Certainly.

Mr. COUZENS. Is there any distinction between "adequate security" and the possible means of payment? In other words, I understand if the Senator's amendment should be agreed to, the Reconstruction Finance Corporation would have to use judgment in the matter to determine whether the loan is going to be made out of the profits of the business or out of the security which is for the moment put up.

Mr. LONERGAN. That is correct.

Mr. COUZENS. The amendment of the Senator from Connecticut assumes that the prescience of the directors of

the R. F. C. will enable them to tell whether the business will be run at a profit or otherwise?

Mr. LONERGAN. That is perhaps true. I think we should take a more liberal view of the situation. We have a large number of manufacturers in the country, particularly in the East, who are unable to borrow money at local banks. If they can get money elsewhere, they can operate their factories, and they ought to be helped.

Mr. COUZENS. The Senator is not explaining anything that we do not already know. The point I want to make is that the chairman of the committee and, I understand, the Chairman of the R. F. C., have stated that there is no difference between the language the Senator from Connecticut proposes to use and the language now in the law. I want the Senate to understand there is a clear and distinct difference between the language now in the law and the language proposed by the Senator from Connecticut. I am not interposing any particular objection to the amendment, but I do not want the amendment agreed to without a clear understanding of the distinction between what the law now provides and what it will provide if the amendment of the Senator from Connecticut shall be agreed to.

Mr. RUSSELL. Mr. President, I heartily favor the amendment of the Senator from Connecticut. I favor it because I think it will have a tendency to make the R. F. C. liberalize its present loan policy as it relates to industry. Under the regulations which have been sent out to the various district offices of the country under existing law, any industry that could obtain a loan from the R. F. C. could obtain it through regular banking channels.

Mr. BARKLEY. In order even to apply to the R. F. C. they have to state they are unable to get it through regular channels.

Mr. RUSSELL. Yes; I understand perhaps that might have been provided in the regulations, but, as a matter of fact, the last Congress authorized the R. F. C. to loan to industries something like \$300,000,000 in order to enable them to rehabilitate themselves and to employ men, to give more employment; but I understand that less than \$40,000,000 of that fund has been authorized to be loaned or is covered by applications filed with the R. F. C. The purpose and intent of Congress in making the loans more liberal and more easily obtainable has been absolutely defeated by restrictions thrown about it by the district offices of the R. F. C. throughout the country.

Mr. BARKLEY. About \$36,000,000 has been loaned. It is not altogether the fault of the R. F. C. that more money has not been loaned. It developed in the hearings the other day that only about 1,400 applications have been made for loans out of the \$300,000,000 which we authorized them to loan. Most of those applications have been passed upon. The fault has not been entirely with the R. F. C. We evidently overestimated the amount of money that would be applied for when we fixed \$300,000,000 as the amount available. If the Senator will get the testimony taken a day or two ago as to the reason for the small amount of loans as compared to what we thought would be required, I think he will be reasonably satisfied it has not been really the fault of the Reconstruction Finance Corporation.

Mr. RUSSELL. When we consider the machinery that is involved in the making of loans, I am amazed that as many as 1,400 applications were filed. A prospective borrower goes to the regional office of the Reconstruction Finance Corporation and confers with those in authority there to ascertain whether or not there is any probability of his obtaining a loan. He is shown the regulations which have been issued and which govern loans of this type. After reading those regulations I am confident that at least 90 percent of them throw up their hands, depart, and never come back, leaving with the thought in mind, "There is no opportunity for me to obtain a loan there." I am amazed to learn that 1,400 have gone ahead and filed applications for loans in the face of the policy and the regulations of the R. F. C.

Mr. BARKLEY. I do not know whether, after seeing and reading the regulations, they abandoned their desire for a loan. Certainly no one has been brought to my attention

who threw up his hands because he became discouraged after reading the regulations. They went as far as they could to get an application on file with the Reconstruction Finance Corporation. I doubt whether anybody could tell how many were discouraged by reason of the regulations.

There has been criticism of the Reconstruction Finance Corporation because, out of the \$300,000,000 we made available, only about \$36,000,000 has been loaned. That looked like an infinitesimal sum compared to what we authorized them to use, but when we got into the facts we discovered it was not altogether the fault of the R. F. C. It was a combination of circumstances of which they were a part.

Mr. RUSSELL. I agree wholly with the Senator. I think the provision of the act requiring adequate security, with the construction placed on "adequate security" in the regulations issued by the R. F. C., has contributed more than any other factor to the result which is that only \$36,000,000 has been really loaned out of \$300,000,000 authorized by Congress in response to a wide-spread demand for easier credit for industry to enable more people to be employed in private channels and taken off the public relief rolls.

Mr. BARKLEY. The question of what is really adequate security is a sort of combination of facts and opinion.

Mr. RUSSELL. Of course.

Mr. BARKLEY. The R. F. C., having in mind the mandatory obligation of Congress to require adequate security, should look forward to the coming of the time when, if they did not require adequate security and great losses were sustained by the Government, we would be more critical probably of the losses sustained by the Treasury because of their failure to require adequate security than we now are because of the small amount of money loaned by them.

On the amendment pending I think it is fair to state while there may be no great amount of difference technically between the description of the security as to whether it is adequate or reasonably likely to produce repayment, yet it is not the same. It does liberalize the provision and does require a less strict interpretation of what is adequate security if the amendment shall be adopted. I have no objection to the amendment if it will liberalize or open up or unfreeze any funds available anywhere for legitimate industry that is now on the ragged edge and which, if humored along, may be able to survive.

I have no doubt under the interpretation of the amendment that the Reconstruction Finance Corporation would go as far as possible to conserve the credit of the Government and at the same time give a chance for life to a considerable number of industries that may need this long credit.

Mr. RUSSELL. When we are spending sums absolutely staggering in amount for necessary relief for people who are unable to find employment, it is far better that the Government run some slight hazard or risk of losing some part of the \$300,000,000 made available last year by the Congress for loans to industry in the effort to see if people cannot be reemployed in legitimate business rather than through made work at an enormous cost to the Federal Treasury when there is absolutely no hope on earth of it being repaid.

We know there is no possibility of the repayment of the funds paid out for relief except by the taxpayer who contributes to retire the bonds issued to obtain the money. When we loan money to private business to enable it to carry on and reemploy people, we at least stand some chance of getting the money back.

Mr. GLASS. Mr. President, the Senator from Kentucky will recall that when the late Governor Black was before our committee when this bill was being considered by the committee, I asked the specific question if the requirements for direct loans to industry had not been greatly exaggerated. He made a rather conservative reply to the inquiry, admitting that he thought the necessity for such loans had been somewhat exaggerated, but he still ventured to think that there was considerable need for such loans. I was firmly convinced that the need for such loans had been greatly ex-

aggerated, and the history of these transactions confirms my thought at that time.

I have no objection to the proposed amendment. It is just a different term meaning the same thing. No loan is reasonably safe that is not adequate, and no loan should be made without adequate security. If the interest of the taxpayer, which is quite as great as that of the people who apply for the loans, is to be considered at all, adequate security ought to be required for these loans.

There are three processes open to any industry desiring to borrow money. First, they may apply to the individual banks in their own communities, or anywhere else in the country. Failing to secure a loan there, they may apply directly to the regional reserve banks of their own district or any other district; and I have known industries which, failing to get accommodations in their own regional district, have secured accommodations in other regional districts, and finally, failing to get loans in the regular banking channels, have applied to the Reconstruction Finance Corporation. Time and time again this has occurred.

Objection has been made that the Reconstruction Finance Corporation has not been sufficiently liberal with the taxpayers' money upon these applications. The facts in each case have been stated by the Chairman of the Reconstruction Finance Corporation to those who have thus complained; and in every single, solitary instance the complainants have said that they, had they been Chairman of the Reconstruction Finance Corporation, would not have complied with the applications.

Mr. BARKLEY. Mr. President, in that connection I wish to say also that there was another inevitable restriction that probably held down loans. It never was the intention of Congress to transfer existing obligations from banks to the Treasury of the United States. Many small industrial concerns desired to borrow money with which to pay debts they already owed to somebody else. It was not the object of Congress to have that done; and at first the Reconstruction Finance Corporation was very tender-footed, and properly so, with respect to making loans to industrial concerns in order that they might just swap obligations.

Then the question arose as to whether loans would be made for what is known ordinarily as capital investment, for building additions to plants or for the mechanization of plants which might result in an increase in output. The Reconstruction Finance Corporation finally liberalized the debt provision of their regulations, I believe, so as to provide that they would permit as much as 20 percent of any loan to be used for the repayment of debts already in existence. Then they have recently liberalized their regulations with respect to capital investment so that now, under certain conditions, they will make loans of money to be put in capital investment or in plant improvement or in mechanization, I believe subject to a restriction that such improvement and modernization shall not materially increase the output of a commodity of which there is already an unsalable surplus in the United States.

I think that restriction is to be commended, because it is of no use to loan Government money to an individual to increase an output for which there is already no market, but the Reconstruction Finance Corporation has liberalized both those restrictions, which at an earlier time were placed on these industrial loans, so that without this amendment they probably would go further in extending the use to which the money might be put than they did at first under the authorization of Congress.

That may have been responsible in the beginning for the inability of some concerns to get money from the Reconstruction Finance Corporation, because they wanted to use a large portion of it to pay some debts they owed to other people, and just shift the credit from private sources to the Government.

Mr. COUZENS. Mr. President, I apologize to the Senate for starting any debate on this amendment, because it is only academic. The extension of authority to the Reconstruction Finance Corporation is not really necessary, because under

House Joint Resolution 117, as introduced, there is a provision on page 6 (a) to guarantee loans to, or payments of, needy individuals; (b) to make grants and/or loans and/or contracts.

Mr. BARKLEY. "And/or."

Mr. COUZENS. Yes; to do either one. There is no limitation in this; so, Mr. President, there is no use in combating these amendments. They are not necessary. They are academic, because the President under House Joint Resolution 117 can take care of everybody in the United States, with or without security.

Mr. BARKLEY. Who is the author of that joint resolution?

Mr. COUZENS. I understand that the President denies the authorship, according to the press; but I understand that the real authors are Mr. Donald Richberg and Mr. Benjamin Cohen.

Mr. BARKLEY. What joint resolution is it?

Mr. COUZENS. It is a joint resolution that was introduced over in the House.

Mr. KING. The \$5,000,000,000 measure.

Mr. BARKLEY. Oh! That is the relief bill.

Mr. COUZENS. Yes; and so is this a relief bill; is it not?

Mr. BARKLEY. Of course the relief bill was intended for the relief of individuals. I do not see that there is any analogy between that and money loaned to corporations.

Mr. COUZENS. The Senator from Kentucky is always anxious to liberalize, because he knows how good Kentucky whisky liberalizes us; but—

Mr. BARKLEY. Am I to gather that all the liberality of the Senator from Michigan is caused by Kentucky whisky? [Laughter.]

Mr. COUZENS. Whenever I am exceedingly liberal that is true. [Laughter.]

Mr. BARKLEY. I think I will order a barrel or two for the Senator.

Mr. COUZENS. I desire to point out, though, that this discussion is academic.

Mr. GLASS. Mr. President, is it academic? Has that joint resolution become a law?

Mr. COUZENS. No; but we have orders to pass it.

Mr. GLASS. The Senator from Michigan has?

Mr. COUZENS. Yes; I have orders to pass it.

Mr. GLASS. I am not in the Senator's class.

Mr. KING. Mr. President, perhaps all has been said that ought to be said; but I venture the assertion that the Reconstruction Finance Corporation has acted wisely and prudently in the interpretation of the authority conferred upon it with respect to industrial loans.

A number of officials of banks are now serving terms in the penitentiaries because they mistakenly believed that certain loans which they made, while the security might not have been all that was desired, might enable industries to continue and that the loans would ultimately be paid. By making such loans they depleted the funds which had been placed in their charge and thus contributed to the failure of banks with which they were connected. Their mistaken judgment ruined banks and brought criminal prosecutions.

I think Congress acted wisely when it said to the Reconstruction Finance Corporation that industrial loans should be made upon adequate security.

We are not handling, and the Reconstruction Finance Corporation is not handling, private funds. As the Senator from Virginia [Mr. GLASS] has just stated, it is handling the taxpayers' money. Where boards are created to act in a fiduciary capacity, to handle the funds of the taxpayers and the funds of the Government, they ought to act with prudence, with care, and with judgment; they should conserve the interests of the people of the United States.

I think the language "adequate security" was proper; and if the construction is placed upon the amendment offered by the Senator from Connecticut [Mr. LONERGAN] that that provision is to be modified so as to permit inadequate security for loans, the Congress may be criticized, and the Government may suffer heavy losses.

With the interpretation which has been placed upon the amendment, I shall feel constrained to vote against it. If it is conceded that the amendment tendered does not alter the meaning of the interpretation to be placed upon the word "adequate", then, of course, there is no necessity for adopting it.

Mr. CONNALLY. Mr. President, without passing on the merits of this particular matter, I desire to say that it seems to me the Reconstruction Finance Corporation, instead of being criticized, ought to be commended for the manner in which it has administered this particular grant of power to make loans to industry. Within my own knowledge a great many of these applications have been made, not for the purpose of operating an industry, but, as suggested by the Senator from Kentucky, to pay a lot of banks which are already holding the paper of the applying corporations. Of course, the mere shifting of obligations from banks to the Government would not have any effect at all on reviving the operation of a dormant or a somewhat lagging industry.

As I understand, the purpose of this particular legislation was to afford working capital to industries, so as to speed them up, and not to afford them money for capital investment. If the Reconstruction Finance Corporation has been lax at all, it has been lax in insisting on the requirements being met which the Congress put in the act. If there is any fault with the kind of security that has been offered, it has been because the Reconstruction Finance Corporation has construed the language "adequate security" to mean that it ought to have security that would be adequate whether offered to the Reconstruction Finance Corporation or offered to any other banking institution.

So I think there is no just ground for Congress to enact a law to cuss out the Reconstruction Finance Corporation for not loaning three hundred millions instead of thirty millions.

Mr. LEWIS. Mr. President, I rise to impose upon the Senate for a moment, in which I wish to enlarge upon the views expressed by the Senator from Utah [Mr. KING] and the Senator from Texas [Mr. CONNALLY], who has just taken his seat, referring particularly to the original organization which we describe as the Reconstruction Finance Corporation.

I was one of this honorable body when this creation received its birth at the hands of this branch of the legislature. There were very dubious expressions and very serious reflections as to whether the enterprise, being novel, would be successful. There were those who feared that its administration might bring some serious reflection upon the financial institutions of the country, and open a possibility of great dishonor by officials executing the trust.

Today, I am sure it would not be regarded foreign to the present subject before the Senate for us to dwell upon this organization and its work.

When one recalls that there was not a parallel institution in all the world, that there was not a precedent for such authority invested in any governmental financial body of all civilization; when we also, sir, must assume the conditions as they then prevailed; and when one revives to memory, referring to the observations just now expressed before us, the many demands which must have been made, and then recalls that \$7,000,000,000—a figure almost impossible for the mind to comprehend, much less for the tongue to describe and define—has been the amount of money disposed of by this great body of administrators, one can feel that this honorable body of legislators pays its respects and its compliments to those who have administered this vast sum of money in behalf of industry and that source of commercial need whose perils we have often heard described in this body.

Sir, when we recall the work of the honorable chairman of this Corporation, Jesse H. Jones, and when we recall with great pride that here in the United States of America was an institution without precedent, administered through the intelligence of its officials, in which the honor was so great and so thoroughly and wholly kept and maintained that in the fury of the late political campaign not one voice was

heard anywhere reflecting on the integrity of the membership, the honor of the discharge of its duty, or in anywise subjecting it to the slightest reflection so frequently heard and so constantly indulged in in all political campaigns as to those in whom has been vested the administration of great sums of money, we extend our compliments; we send forth our praise. We recall, sir, in the Odyssey of Homer, the expression of Penelope, when, being inquired of concerning Ulysses, she replied:

Ulysses is done and has gone. There is none left in Ithaca to bend his bow.

The work of this Corporation has been done. I venture to say few men could have been found in all America who could have done it so well. None could have done it better. To Chairman Jones and his associates of the Corporation, we delight, sir, to extend our praise, and, while we are in the consideration of this measure, to express that his work, with that of his associates, has been an honor to his country; and for his services we express the pride of his countrymen.

I thank the Senate.

Mr. COUZENS. May I ask whether the amendment offered by the Senator from Connecticut [Mr. LONERGAN] has been acted on yet?

Mr. FLETCHER. No; it has not. I ask that it be again stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. 11. The second sentence of the first paragraph of section 5 (d) of the Reconstruction Finance Corporation Act, as amended, is amended by striking out "adequately secured" and inserting in lieu thereof "so secured as to reasonably assure repayment of the loans."

Mr. FLETCHER. Mr. President, the Senator from Connecticut spoke to me about the amendment, and it seemed to me on first impression that it was almost a case of Tweedledum and Tweedledee. That is to say, the whole matter is in the discretion of the R. F. C. They can consider an application offering adequate security practically on all fours with an application offering security which is reasonably safe.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. COUZENS. It does not say that at all. It does not say "reasonable security." It says "so secured as to reasonably assure repayment."

Mr. FLETCHER. "To reasonably secure repayment", which is the same thing as reasonably safe, it seems to me.

I realize some of the difficulties of applying a technical construction. The use of the words "adequate security" gives the Board a chance to reject applications on technical grounds, and that was not the intention of Congress. We do not need to be technical about this thing. There was a considerable demand all over the country, as the Senator from Georgia [Mr. RUSSELL] said, for loans for the benefit of industries, to start them up, to start them going, to give people employment. We had in mind more particularly—at least I did—the smaller industries. Applications have been made, however, by very large industries, with plants running into many millions of dollars. The Corporation is limited by the strict construction of the language of the law, "adequate security", and it has not been making many loans.

The Congress also authorized these loans to be made by the Federal Reserve banks, which extended their power to make loans for the benefit of industry. I thought at the time the banks were not going to make many loans, and they have not. As a matter of fact, the banks are extremely cautious, and I do not blame them, and I am not criticizing them about that; but they are taking scarcely any chances at all on any loan which they make. So the people have not been able to qualify, to show themselves eligible for loans from the banks. It was for that reason, at the time we passed the act extending the authority of the Federal Reserve banks to make loans for the benefit of industry that

I was desirous that we should extend that authority to the Reconstruction Finance Corporation, because I was satisfied the banks were not going to accommodate many people, and they have not done so. Therefore, we provided in the law that where the applicants could not secure accommodations from the local banks or the Federal Reserve banks under that statute, they could apply to the R. F. C.

Some applications have been made, but we have not by any means reached the amount of money intended to be used in that connection—\$300,000,000. One thousand four hundred applications have been made, and probably less than 100 of them have been granted. Probably not over 10 percent of the amount of money that was provided for that purpose has been used by the R. F. C. The R. F. C. stands, of course, upon the law that there must always be adequate security. There must be a showing of that sort, and a showing that the applicant has been unable to obtain a loan from the Federal Reserve bank or from his local bank, and that he has nowhere else to go except to the R. F. C.

Mr. KING. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. KING. Does the Senator think the R. F. C. should make loans or should have made loans upon inadequate security?

Mr. FLETCHER. No; I do not say that at all, but upon security which is reasonably certain to be sufficient to bring about the repayment of the debt. That is a matter for the R. F. C. to pass upon. It seems to me that it relieves an applicant of any technical requirement about adequate security, and at the same time it gives the R. F. C. discretion to pass upon the question of whether there is reasonable security that the debt will be paid when secured in the manner suggested.

For that reason I am not disposed to quarrel with the amendment. I think it liberalizes the provision of the present law somewhat and relieves it of a technicality, and at the same time it does not jeopardize the interests of the Government, because the R. F. C. still has the power to say whether or not the security offered is satisfactory to it as reasonably certain to take care of the debt.

Mr. BARKLEY. Mr. President, I desire to make a technical suggestion. There is a split infinitive in the amendment. That sentence should be corrected. The words "to" and "reasonably" ought to be transposed. I make that suggestion.

Mr. LONERGAN. I accept that modification of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. COUZENS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, at the end of line 21, it is proposed to insert a colon and the following:

*Provided, That not more than \$100,000,000 may be used for this purpose.*

Mr. FLETCHER. I cannot quite follow my good friend, the able Senator from Michigan, in that connection. I am afraid that he puts some handicap on the R. F. C. and jeopardizes some transactions that might reasonably and very properly take place. I think we had better leave that matter as it is. The R. F. C. has certain funds set aside for the purpose in mind. The Senator from Kentucky, myself, and others have already discussed that. I think the Senator's amendment would unnecessarily cripple and handicap the Corporation in the matter of handling these kinds of loans or guaranties. It would be very advantageous to the public and to everyone concerned if the R. F. C. were allowed a rather free hand in that connection. The amendment now offered is to limit loans to the railroads, as I understand.

Mr. COUZENS. To limit to \$100,000,000 the additional authority to be given to the R. F. C. to make railroad loans.

Mr. FLETCHER. Does that mean \$100,000,000 in addition to loans already made and commitments already made?

Mr. COUZENS. In addition to loans already made and commitments already made.

Mr. FLETCHER. It would be in addition to that?

Mr. COUZENS. Not any more than that; yes. Will the Senator yield to me for a moment, Mr. President?

Mr. FLETCHER. I yield.

Mr. COUZENS. As I said before, I have not consulted the R. F. C., or Mr. Jones. I have great respect for the administration of the R. F. C. However, I pointed out in committee that there is no mention in this bill of Mr. Jones' name; there is no assurance that the same management will continue indefinitely; and I personally resent Congress adopting a policy of drafting legislation for one individual. We cannot determine who will administer these functions in the future. Therefore, Congress should exercise all possible care in passing legislation so that anybody may administer it, and not have to rely upon the great abilities of Mr. Jones or any other individual.

This amendment limits to \$100,000,000 the loans the R. F. C. may make in excess of what it has already made or is committed to make for railroad purposes. In view of what the Senator from Kentucky says about the withdrawals for relief, and the limited amount left for other purposes—industry, mortgages, banks, insurance companies, or what not—it seems to me that an argument against the proposed limitation is simply in the interest of the railroads alone.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. BYRNES. Does the amendment specify that it is in addition to loans and commitments already made?

Mr. COUZENS. I have put it down at the end of section 4 (a), which the Senator from Florida has amended now, so that it is to be 4 (b); and that is the section which extends the authority of the R. F. C. to guarantee railroad loans to receivers, to purchase railroad equipment trust certificates, and to purchase bonds, which is new authority. They have not heretofore had the authority to do this. Their authority has been restricted to making loans direct to railroad companies. This is an extension of authority, and for that extension of authority I want to limit them to \$100,000,000.

Mr. BULKLEY. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. BULKLEY. Does the amendment impose a limitation only on the exercise of the new authority?

Mr. COUZENS. Yes.

Mr. BULKLEY. Then, of course, it would be in addition to the commitments already made.

Mr. COUZENS. Certainly. That is why I put it in at the end of this paragraph, because it is my intention wholly to limit the amount of money to be used for the additional purposes specified in this bill.

Mr. BULKLEY. I hope the chairman will accept some limitation, because any demands made under this new authority will necessarily be a subtraction from funds available for other purposes.

Mr. BARKLEY. Mr. President, the new language set forth in the bill authorizes the purchase by the Reconstruction Finance Corporation, or on its account, of obligations of railroads engaged in interstate commerce. It authorizes the guaranty of obligations already in existence, in order to save two financial transactions. It authorizes the Corporation to make loans upon full and adequate security to such railroads, or to the receivers or trustees thereof, for the purpose aforesaid. Then, on page 5, it authorizes the R. F. C. to make commitments. So there are four distinct things they are empowered to do under that section.

I think it is unfortunate that this discussion should revolve around the Chairman of the Reconstruction Finance Corporation or any other member of the Reconstruction Finance Corporation. We are all unanimous in our high estimation of the wonderful work which has been done by

the entire board of the Reconstruction Finance Corporation, presided over by Mr. Jones as its Chairman. In that praise and encomium we might include the general counsel of the Reconstruction Finance Corporation and many of the other subordinates, all the way down the line, who have devoted themselves assiduously to the protection of the Government and of the Corporation in making loans.

I realize how easy it is to rise on the floor of the Senate and cast aspersions upon railroads and the loans that have been made to railroads, both by banks and by the Reconstruction Finance Corporation, if someone desires to find fault with them. However, we cannot lose sight of the fact that one of the most serious problems that confronts the United States and the people and our Government today is what we are going to do with respect to the railroads. What is going to happen to them? Is a situation going to arise or to be precipitated which will require that for its own protection and for the protection of transportation and the people the Government of the United States must take over the railroads and operate them? We cannot lose sight of the fact that many railroads probably never ought to have been constructed; but they have been constructed, and towns have been built around them, and they are serving a useful purpose.

I do not know whether or not the Reconstruction Finance Corporation would ever loan or obligate itself to guarantee loans of as much as \$100,000,000 under this new authority.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. BARKLEY. I will yield in just a moment. I understand that the Corporation now has out about \$400,000,000, if I am not mistaken, in these loans to railroads. Of course, it is a revolving fund like all the rest of the Corporation's moneys; but, in all likelihood, a smaller proportion of railroad loans have been repaid than loans generally to industry, banks, and other borrowers. But with \$400,000,000 already out, and with the railroad situation as it is, not knowing how much may be needed or how little may be needed, I think, in view of the history of the Reconstruction Finance Corporation and its conservative protection of the interest of the Government, we can well leave to its discretion the amount which it would loan under this section, in view of the limitations as to the loan of money in the aggregate to all borrowers to whom it might make loans.

I now yield to the Senator from Michigan.

Mr. COUZENS. The Senator will recall that I predicated my offer of this amendment on the theory and on the statement that if it would embarrass the operation of the R. F. C. in connection with railroad loans I would be perfectly willing to have the Senate recede, and, of course, the bill has got to go to conference.

Mr. BARKLEY. It is difficult for Members of the Senate or even members of the Banking and Currency Committee, which tries to go reasonably into these matters, to answer on the floor a specific question as to whether a limitation would embarrass the Reconstruction Finance Corporation. Frankly, I do not know whether it would or not. I do not believe anybody on the floor knows. The amendment was not brought up in the committee, and the question was not discussed. We have no statement upon which to base the conclusion that it would be embarrassing and I am willing to leave it to the Reconstruction Finance Corporation.

Mr. COUZENS. Will not the Senator let the amendment go in so that it may go to conference, and if the R. F. C. satisfies the conferees that the limitation should not be there, I think that the Senate, upon such a statement of fact, would recede from the amendment.

Mr. BARKLEY. Of course the Senate might not be able to do so, because this bill has not as yet passed the House, and if we put this limitation in and it goes to the House and is agreed to, then there is nothing in conference about it and we could not change it. I think if the idea is to put it in for the purpose of merely looking into it, with a view to striking it out if it is not a wise amendment, it ought to be put in somewhere else and not on the floor of the Senate.

Mr. COUZENS. I still insist that we are using the taxpayers' money notwithstanding the constant reiteration that

they are not asking for an additional appropriation, and whatever money is lost through the administration of the R. F. C. comes out of the taxpayers. So far as the administration up to date is concerned, I think they have done a pretty good job, with the possible exception of the so-called "Dawes loan", which my friend from Illinois [Mr. LEWIS] did not mention when he eulogized the R. F. C. Nevertheless, on the statement of the Senator from Kentucky, there is a limited amount of money still available, but that limit is not known because there are constant repayments being made; and I am advised, on what I believe to be good authority, that the principal amounts loaned by the R. F. C. will be eventually returned; that is, in large part.

Mr. FLETCHER. Mr. President, would the Senator be willing to make the figure in his amendment three hundred and fifty million instead of one hundred million?

Mr. COUZENS. That is all they have left, according to the statement of the Senator from Kentucky.

Mr. BARKLEY. Of course, the Senator from Michigan proved that I was mistaken by calling attention to the fact that they have these repayments which he indicates will amount to several billion dollars.

Mr. FLETCHER. Loans and commitments now amount to some \$400,000,000, and there are refunding and refinancing and other operations coming up by reason of which they might need as much as \$750,000,000 for the railroads. I do not know about that.

Mr. COUZENS. The statement of the Senator that we do not know but that the requirements may go as high as \$750,000,000 is the soundest argument which has yet been made in favor of the amendment.

Mr. FLETCHER. I refer, of course, to the total at any one time.

Mr. COUZENS. Yes. Therefore, it seems to me that, as the \$100,000,000 which I suggest is merely a guess, and as the bill has not passed the House, if it is demonstrated that that is not a proper amount or would handicap the Reconstruction Finance Corporation, the matter can be straightened out either in the House or in conference. However, I should like the Senate to go on record as setting a limitation upon how much of this money that is left may be used for the railroads; otherwise, obviously, if all their reserve funds are called upon by some particular class which is authorized to borrow from the Reconstruction Finance Corporation, the money will have to be denied other classes of borrowers.

Mr. FLETCHER. The Senator has not answered whether he would be willing to make the figure \$350,000,000.

Mr. COUZENS. Yes; I am willing to make it \$350,000,000, with the idea that the matter will be considered in conference as to whether it is too much or too little. I will modify my amendment as the Senator from Florida has suggested.

Mr. FLETCHER. I suggest to the Senator also that it would be better to insert the amendment on page 5, line 13, instead of at the end of the section, where he proposes to insert it. So I suggest at that point to strike out the period after the word "loans" and insert in lieu thereof a colon and the following additional proviso:

*Provided further, That the total amount of loans and commitments to railroads, receivers, and trustees, and purchases and guaranties of obligations of railroads, under the paragraph, as amended, shall not exceed at any one time \$350,000,000.*

Mr. COUZENS. I accept that amendment as read by the Senator from Florida as a substitute for mine.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan, as modified.

The amendment, as modified, was agreed to.

Mr. PITTMAN. Mr. President, in view of the adoption of the amendment recently offered by the Senator from Connecticut [Mr. LONERGAN], I should like to move to amend section 14 of the act relating to direct loans for industrial purposes, and so forth, so as to incorporate there the words suggested by him instead of the words "adequate security" and let both of them go to conference. Therefore, I offer the following amendment:

At the end of the bill insert the following new section:

Sec. 12. Section 14 of the act entitled "An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes", approved June 19, 1934 (Public, No. 417, 73d Cong.), is amended to read as follows:

"The Reconstruction Finance Corporation is authorized and empowered to make loans, so secured as to reasonably assure repayment of the loans, to recognized and established corporations, individuals, and partnerships engaged in the business of mining, milling, and smelting ores."

The PRESIDING OFFICER. Without objection—

Mr. BARKLEY. Wait a minute, Mr. President. I do not understand this method of amending the bill in important particulars "without objection." We might want to see what it is about. This amendment has not been discussed or offered heretofore, has it, I will ask the Senator from Nevada.

Mr. PITTMAN. It was referred to the Reconstruction Finance Corporation.

Mr. BARKLEY. It has not yet been the policy of Congress to authorize loans to individuals for any purpose under the Reconstruction Finance Corporation Act. The matter was brought up day before yesterday in the committee in connection with the testimony of the Chairman of the Reconstruction Finance Corporation, and it was felt that it was not wise to make loans to individuals, because it is so easy to incorporate in order to comply with that piece of wise precaution, I think. I do not recall that we have heretofore authorized loans to individuals. If I am mistaken about that, the Senator will correct me.

Mr. FLETCHER. There is no question about that. All we have ever done along that line in connection with loans from the R. F. C. has been through loans to mortgage companies. That is provided for now. We have not been making loans to individuals. I presume the Senator from Nevada has reference to classifying mining as an industry of some kind.

Mr. PITTMAN. Section 14, as I recall, of the act to which I have referred specifically provides for the loaning of money to corporations and associations engaged in the mining industry. It was offered and passed through Congress at the last session for the express purpose of meeting the various objections that were raised by one of the Senators here, the Senator from Washington, in regard to certain other matters.

Mr. FLETCHER. The Senator wants to change that section now so as to substitute for the words "adequate security" the language he has offered?

Mr. PITTMAN. That is what I desire.

Mr. FLETCHER. I am sorry these matters were not presented to the committee. As I have said, we had this bill under consideration since last Friday. We held sessions for 2 days on it and none of these amendments were offered to us. This amendment is something new.

Mr. BARKLEY. I move to amend the amendment by striking out the word "individuals."

Mr. PITTMAN. I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky to the amendment of the Senator from Nevada.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment. There being no further amendments, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. FLETCHER. I move that the title be amended so as to read: "A bill to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes."

The motion was agreed to.

#### INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. GLASS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6, and agree to the same.

CARTER GLASS,  
JAMES F. BYRNES,  
FREDERICK HALE,  
*Managers on the part of the Senate.*  
C. A. WOODRUM,  
JOHN J. BOYLAN,  
RICHARD B. WIGGLESWORTH,  
*Managers on the part of the House.*

Mr. GLASS. I may state that the House receded on all the amendments made to the bill by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### SURVEY OF LAND AND WATER POLICIES AND PROJECTS

Mr. BYRNES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably the resolution (S. Res. 58) submitted by the Senator from Wyoming [Mr. O'MAHONEY] on the 21st instant, and referred to the Committee on Irrigation and Reclamation, which reported it back with various amendments, and it was then referred to the Committee to Audit and Control the Contingent Expenses of the Senate. The latter committee now reports it back favorably without further amendment. I ask unanimous consent for its immediate consideration.

There being no objection, the Senate proceeded to consider the resolution.

The amendments of the Committee on Irrigation and Reclamation were, on page 1, line 2, to strike out "three" and insert "two"; in line 4, to strike out "and three" and insert "two"; and in line 5, after the word "reclamation", to insert "and two of whom shall be members of the Committee on Agriculture and Forestry", so as to make the resolution read:

*Resolved*, That a special committee of 7 Senators, to be appointed by the President of the Senate, 2 of whom shall be members of the Committee on Public Lands and Surveys, 2 of whom shall be members of the Committee on Irrigation and Reclamation, and 2 of whom shall be members of the Committee on Agriculture and Forestry, is authorized and directed to make a survey and study of all land and water policies and projects of the several executive agencies and establishments of the Government and to report to the Senate, as soon as practicable, the results of its survey, together with its recommendation for necessary legislation in connection therewith.

The committee or any duly authorized subcommittee thereof is authorized to attend the National Grazing Conference to be held under the auspices of the Department of the Interior at Denver, Colo., February 11, 1935.

For the purposes of this resolution the committee or any duly authorized subcommittee thereof is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, including expenditures for travel, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The amendments were agreed to.

The resolution as amended was agreed to.

#### RECESS TO MONDAY

Mr. ROBINSON. I move that the Senate take a recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 15 minutes p. m.) the Senate took a recess until Monday, January 28, 1935, at 12 o'clock meridian.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate January 25 (legislative day of Monday, Jan. 21), 1935*

##### UNITED STATES CIRCUIT JUDGE

Charles B. Faris to be United States circuit judge for the eighth circuit.

#### COLLECTOR OF CUSTOMS

Austin J. Mahoney to be collector of customs for customs collection district no. 8, Rochester, N. Y.

#### APPOINTMENTS IN THE REGULAR ARMY

##### To be brigadier generals

Dana True Merrill, Infantry.  
Robert Cherry Foy, Field Artillery.

To be Chief Signal Officer with the rank of major general

James Breadner Allison, Signal Corps.

To be assistant to the Chief of the Air Corps with the rank of brigadier general

Henry Gibbins, Quartermaster Corps.

To be Assistant to the Chief of the Air Corps with the rank of brigadier general

Augustine Warner Robins, Air Corps.

To be professor of physics at the United States Military Academy

Gerald Alford Counts

#### MEDICAL CORPS

##### To be captain

Otto Christian.

##### To be first lieutenants

Gordon G. Bulla	Charles Edwards Spellman
William Albert Todd, Jr.	James Bowdoin Stapleton
Floyd Lawrence Wergeland	Tom French Whayne
Robert Stultz Brua	Joseph Garber Cocke
James Willis Howard	Ralph Torrey Stevenson
James Sherwood Taylor	John Benson Brow
Jenner Garnett Jones	Byron Ludwig Steger
Eaton Wesley Bennett	Louie Render Braswell
Burt Held	Paul Hamilton Jenkins
Alfonso Michael Libasci	Ray Edward Currie
Frank Owings Alexander	Heinz Kuraner
Reinhardt Ludwig	Raphael Allen Edmonston
Schmidtke	Knox Dunlap
John Edwin Granade	Stephen Dominic Berardinelli
Clifford Otto Bishop.	Clarence Harold White
Robert Estes Blount	Eugene Rhea Chapman
Emmett Leroy Kehoe	Fred William Seymour
William Joseph Power	Joseph Arthur Baird
Lawrence Carter Ball	Aubrey L. Jennings
John Knox Cullen	William Titus Sichi
Kenneth Ross Hagen	William Warren Roe, Jr.
Allan Arthur Craig	Wayne Ross Weaver
James Emile Graham	Donald Davis Flickinger
Jay Franchel Gamel	Albert Marion Richmond
Paul Byron Reis	Donald Meyers Ward
William Hugh Latimer	Angvald Vickoren
Westbrook, Jr.	Irving Hoos Schwab
William Fred Patient	William Earl Barry
James Leslie Snyder	Edmund Oliver Gates
Raymond Richard Johanson	Kenneth Malcolm Soderstrom
Thair Cozzens Rich	George Walter McCoy, Jr.
Frank Hugh Lane	John William O'Donnell
Byron Glen McKibben	Fred Howenstine Mowrey
John DeWitt Morley	Lucius George Thomas
Frederic Ebelhare Cressman	Hubert Thaddeus Marshall
Robert Tuthill Gants	Robert Denton Smith
Edward Beebe Payne	William Byrd Stryker
George Foster Peer	James Leo Tobin
Robert LaShore Callison	William Langford Spaulding
William Sterling Hargan	Allen Nelson Bracher

#### DENTAL CORPS

##### To be first lieutenants

John Castle Hampson  
Charles Joseph Cashman  
Dean Stirling Beiter

## VETERINARY CORPS

*To be second lieutenants*

William Edwin Jennings	Andrew Jesse Sirilo
Curtis William Betzold	Daniel Stevens Stevenson
James Bernhard Nichols	Ray Swartley Hunsberger
Albert Arthur Roby, Jr.	William Francis Collins

## MEDICAL ADMINISTRATIVE CORPS

*To be second lieutenants*

Wilfred Arthur Emond	Everett Walter Partin
Harland William Layer	Andy Vaughan Little
Eugene Gordon Cooper	Richard Case
Arthur Melville Henderson	Omar Kenneth Andrews
William Robert Chamberlain	Eli Egbert Daman

## CHAPLAINS

*To be chaplains with the rank of first lieutenant*

John Simeon Kelly  
John Thomas Kilcoyne  
Stanley Joseph Reilly

## APPOINTMENT BY TRANSFER IN THE REGULAR ARMY

## TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Carl Herndon Seals.  
Maj. Edward Fuller Witsell.

## TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Eugene Mead Caffey.  
Capt. Edgar Ambrose Jarman.  
Capt. Guy Malcolm Kinman.  
Capt. Francis Harold Vanderwerker.

## TO QUARTERMASTER CORPS

Lt. Col. John Ashley Warden.  
Maj. John McDonald Thompson.  
Capt. James Horace Barbin.  
Capt. Howard Haines Cloud.  
Capt. Richard Woodhouse Johnson.  
Capt. William Francis Marshall, Jr.  
Capt. Senius John Raymond.  
Capt. Herbert Edson Willis.  
Capt. Barlow Winston.  
Capt. Lloyd Raymond Wolfe.  
First Lt. Kester Lovejoy Hastings.  
First Lt. Charles Andrew Jones, Jr.  
First Lt. Gustave Harold Vogel.  
Second Lt. Carl Morton Sciple.  
Second Lt. Jesse Hockett Veal.

## TO FINANCE DEPARTMENT

Capt. Columbus Bierce Lenow.  
Capt. Sidney Cushman Page.

## TO SIGNAL CORPS

First Lt. Samuel Selden Lamb.  
First Lt. William Milstead Talbot.  
First Lt. Terence John Tully.

## TO CHEMICAL WARFARE SERVICE

Capt. William Mayer.  
First Lt. John Robert Burns.

## TO CAVALRY

First Lt. David Andrew Watt, Jr.

## TO FIELD ARTILLERY

Second Lt. James Ernest Beery.

## TO COAST ARTILLERY CORPS

First Lt. Merson Leon Skinner.  
Second Lt. Frank Ward Ebey.

## TO INFANTRY

Lt. Col. James Blyth.  
Second Lt. Merrick Hector Truly.

## TO AIR CORPS

First Lt. Henry Malone Bailey.  
Second Lt. John Glenn Armstrong.  
Second Lt. Harry Nelson Burkhalter, Jr.  
Second Lt. Douglas Moore Cairns.  
Second Lt. Gabriel Poillon Disosway.  
Second Lt. Dwight Divine, 2d.

Second Lt. Robin Bruce Epler.  
Second Lt. Percival Ernest Gabel.  
Second Lt. Winton Summers Graham.  
Second Lt. Sydney Dwight Grubbs, Jr.  
Second Lt. Thomas Burns Hall.  
Second Lt. Millard Loren Haskin.  
Second Lt. Franklin Stone Henley.  
Second Lt. Travis Monroe Hetherington.  
Second Lt. Frank Patterson Hunter, Jr.  
Second Lt. Nelson Parkyn Jackson.  
Second Lt. Richard Thomas King, Jr.  
Second Lt. Victor Haller King.  
Second Lt. Stephen B. Mack.  
Second Lt. Harold Roth Maddux.  
Second Lt. Edward Deane Marshall.  
Second Lt. Donald Gordon McGrew.  
Second Lt. Richard John Meyer.  
Second Lt. Richard Mattern Montgomery.  
Second Lt. Thomas Samuel Moorman, Jr.  
Second Lt. Carlyle Walton Phillips.  
Second Lt. Charles Hoffman Pottenger.  
Second Lt. Bruce von Gerichten Scott.  
Second Lt. William Oscar Senter.  
Second Lt. Jewell Burch Shields.  
Second Lt. Earl Francis Signer.  
Second Lt. Vernon Cleveland Smith.  
Second Lt. Milton Fredrick Summerfelt.  
Second Lt. Cordes Fredrich Tiemann.  
Second Lt. William Livingston Travis.  
Second Lt. Karl Truesdell, Jr.  
Second Lt. James Dennis Underhill.  
Second Lt. Felix Louis Vidal, Jr.

## APPOINTMENTS IN THE NATIONAL GUARD

## GENERAL OFFICERS

*To be major general, National Guard of the United States*  
Daniel Needham

*To be brigadier generals, National Guard of the United States*

Albert Henry Beebe  
Washington Bowie, Jr.  
Roger Weed Eckfeldt  
Sumter de Leon Lowry, Jr.  
Carlos Alden Penington

## REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS

## GENERAL OFFICER

*To be brigadier general, Reserve*

Cornelius Vanderbilt

## PROMOTIONS IN THE REGULAR ARMY

*To be colonels*

Joseph Fulton Taulbee, Quartermaster Corps.  
Hiram Marshall Cooper, Infantry.  
Troup Miller, Cavalry.  
Benjamin Franklin Miller, Field Artillery.  
William Waller Edwards, Cavalry.  
John Alexander Barry, Cavalry.  
William Whitelaw Gordon, Cavalry.  
Raymond Sidney Bamberger, Adjutant General's Department.  
Malcolm Peters Andruss, Coast Artillery Corps.  
Albert Hecker Mueller, Cavalry.  
Samuel James Sutherland, Infantry.  
Franc Lecocq, Coast Artillery Corps.  
Charles Leslie Mitchell, Infantry.  
Emery Sherwood Adams, Adjutant General's Department.  
Alfred Brandt, Infantry.  
Charles Augustine Thuis, Infantry.  
Townsend Whelen, Ordnance Department.  
Charles Smith Hamilton, Infantry.  
Harry Lightfoot Jordan, Infantry.  
Ralph Willcox Kingman, Infantry.  
Donald Davie Hay, Infantry.  
Claire Raymond Bennett, Quartermaster Corps.  
Henry Wyatt Fleet, Infantry.  
Francis Henry Burr, Infantry.

Robert Truman Phinney, Infantry.  
 Charles Haynes Mason, Infantry.  
 Nicholas William Campanole, Infantry.  
 Reginald Heber Kelley, Infantry.  
 Joseph Oswald Mauborgne, Signal Corps.  
 Joseph Michael Cummins, Infantry.  
 Thomas Cebern Musgrave, Infantry.  
 Converse Rising Lewis, Infantry.  
 Max Clayton Tyler, Corps of Engineers.  
 Ulysses Simpson Grant, 3d, Corps of Engineers.  
 Julian Larcombe Schley, Corps of Engineers.  
 Richard Curtis Moore, Corps of Engineers.  
 Frederic Harrison Smith, Coast Artillery Corps.  
 Marion William Howze, Judge Advocate General's Department.

Olan Cecil Aleshire, Quartermaster Corps.  
 George Arthur Lynch, Infantry.  
 George Wilbur Cocheu, Coast Artillery Corps.  
 Charles Herman Patterson, Coast Artillery Corps.  
 Lewis Turtle, Coast Artillery Corps.  
 Clifford Jones, Coast Artillery Corps.  
 Louis Cass Brinton, Jr., Coast Artillery Corps.  
 Robert Morgan Lyon, Infantry.  
 William Mechling Colvin, Coast Artillery Corps.  
 Benjamin Edwards Grey, Infantry.  
 Elvid Hunt, Infantry.  
 Dorsey Read Rodney, Cavalry.  
 Alexander Mortimer Milton, Cavalry.  
 Campbell Blackshear Hodges, Infantry.  
 Jacob Winfield Scott Wuest, Air Corps.  
 Stephen Wilson Winfree, Cavalry.  
 Arthur Emmett Ahrends, Infantry.  
 Charles Franklin Severson, Infantry.  
 Harry Surgisson Grier, Infantry.  
 Charles Beatty Moore, Infantry.  
 Clark Lynn, Adjutant General's Department.  
 Ben Frazer Ristine, Infantry.  
 Albert Gilmor, Coast Artillery Corps.  
 Stuart Ainslee Howard, Adjutant General's Department.  
 John Francis Franklin, Infantry.  
 John Southworth Upham, Infantry.  
 Irving Monroe Madison, Infantry.  
 Ellery Farmer, Infantry.  
 Everett Newton Bowman, Infantry.  
 Jesse Duncan Elliott, Infantry.  
 Daniel Murray Cheston, Infantry.  
 James Madison Churchill, Infantry.  
 Luther Rice James, Infantry.  
 Andrew Davis Chaffin, Infantry.  
 Frederick Wegener Boschen, Finance Department.  
 Louis Farrell, Infantry.  
 Augustine Aloysius Hofmann, Infantry.  
 James Blyth, Infantry.  
 Edwin Gunner, Infantry.  
 Charles Otto Schudt, Finance Department.  
 William Franklin Robinson, Jr., Infantry.

*To be lieutenant colonels*

Roy Howard Coles, Signal Corps.  
 Henry Dorsey Farnandis Munnikhuysen, Quartermaster Corps.  
 Philip Stearns Gage, Coast Artillery Corps.  
 Robert Lawrence Eichelberger, Adjutant General's Department.  
 Monte Jackson Hickok, Coast Artillery Corps.  
 Robert Charles Frederick Goetz, Field Artillery.  
 Edwin Forrest Harding, Infantry.  
 Theodore Mosher Chase, Coast Artillery Corps.  
 Arthur Rutledge Underwood, Infantry.  
 Robert Sears, Ordnance Department.  
 Joseph Plassmeyer, Cavalry.  
 Lee Dunnington Davis, Infantry.  
 Edwin Russell Van Deusen, Field Artillery.  
 Frank Leroy Purdon, Infantry.  
 Merl Paul Schillerstrom, Infantry.  
 Carlin Curtis Stokely, Infantry.  
 Louis Philip Ford, Infantry.

John May McDowell, Field Artillery.  
 Clifford Bluemel, Infantry.  
 William Hood Simpson, Infantry.  
 William Charles Koenig, Coast Artillery Corps.  
 John Charles Fremont Tillson, Jr., Cavalry.  
 Vernon George Olsmith, Infantry.  
 Ralph Ernest Jones, Infantry.  
 Herbert Hamilton Acheson, Coast Artillery Corps.  
 Willis Shippam, Coast Artillery Corps.  
 Frank Dexter Applin, Signal Corps.  
 Rollin Larrabee Tilton, Coast Artillery Corps.  
 Raymond Eliot Lee, Field Artillery.  
 Louis Blaine Bender, Signal Corps.  
 Francis Page Hardaway, Coast Artillery Corps.  
 Frederic Alton Price, Coast Artillery Corps.  
 Edward Prescott Noyes, Coast Artillery Corps.  
 William David Frazer, Coast Artillery Corps.  
 George Fleming Moore, Coast Artillery Corps.  
 George Lane Van Deusen, Signal Corps.  
 Leopoldo Mercader, Infantry.  
 Cuthbert Powell Stearns, Cavalry.  
 Courtney Hicks Hodges, Infantry.  
 Rollo Curtin Ditto, Chemical Warfare Service.  
 Charles Carter Reynolds, Quartermaster Corps.  
 Frederick Martin Armstrong, Infantry.  
 Isaac Joshua Nichol, Infantry.  
 William Patrick Kelleher, Infantry.  
 Robert Menees Milam, Field Artillery.  
 Gordon Louis Finley, Judge Advocate General's Department.  
 Herbert Joseph Wild, Corps of Engineers.  
 Harleigh Parkhurst, Field Artillery.  
 Alvin Colburn, Infantry.  
 Walter Preston Tyler, Infantry.  
 John Douglas Kilpatrick, Quartermaster Corps.  
 Sheppard Blunden Philpot, Infantry.  
 Shields Warren, Infantry.  
 Charles Clement Cresson, Judge Advocate General's Department.  
 William Richards Blair, Signal Corps.  
 Drury Kemp Mitchell, Quartermaster Corps.  
 George Francis Lemon, Ordnance Department.  
 Clarence Herbert Tingle, Quartermaster Corps.  
 John Quincy MacDonald, Ordnance Department.  
 Leon Elie Lyon, Corps of Engineers.  
 Neill Edwards Bailey, Quartermaster Corps.  
 Francis Marion Maddox, Infantry.  
 Le Roy Reeves, Judge Advocate General's Department.  
 Charles Stephen Buck, Infantry.  
 Theodore Hall, Judge Advocate General's Department.  
 Alfred Wainwright Bloor, Infantry.  
 Walter Michael Krimbill, Judge Advocate General's Department.

Frederick William Browne, Finance Department.  
 Lee Stephen Tillotson, Judge Advocate General's Department.  
 Frank Wade Halliday, Judge Advocate General's Department.

Frank M. Holmes, Finance Department.  
 Clarence McCain McMurray, Infantry.  
 Guy Ichabod Rowe, Quartermaster Corps.  
 George Stevens Gay, Field Artillery.  
 John Magruder, Field Artillery.  
 Per Ramee, Infantry.  
 Harrison Cressy Browne, Infantry.  
 Harley Cleveland Dagley, Cavalry.  
 William Nichols Porter, Chemical Warfare Service.  
 George Howard Brett, Air Corps.  
 Maurice Benjamin Willett, Chemical Warfare Service.  
 Robert Edward Jones, Infantry.  
 Alexander Warner Cleary, Infantry.  
 George Marshall Parker, Jr., Infantry.  
 John Herman Hood, Coast Artillery Corps.  
 Richard Stearns Dodson, Coast Artillery Corps.  
 Christopher Dudley Peirce, Coast Artillery Corps.  
 Joseph Fredrick Cottrell, Coast Artillery Corps.

Wallace Loring Clay, Ordnance Department.  
 Walter Lucas Clark, Ordnance Department.  
 Charles McHenry Steese, Ordnance Department.  
 Richard Ferguson Cox, Coast Artillery Corps.  
 James Luke Frink, Quartermaster Corps.  
 Creswell Garlington, Corps of Engineers.  
 Beverly Charles Dunn, Corps of Engineers.  
 Donald Hilary Connolly, Corps of Engineers.  
 Raymond Foster Fowler, Corps of Engineers.  
 David McCoach, Jr., Corps of Engineers.  
 Edgar Warren Taulbee, Cavalry.  
 Dwight Knowlton Shurtleff, Ordnance Department.  
 Francis Henry Miles, Jr., Ordnance Department.  
 Fred Clute Wallace, Field Artillery.  
 Burton Oliver Lewis, Ordnance Department.  
 Herbert Raymond Odell, Field Artillery.  
 Reginald Bifield Cocroft, Coast Artillery Corps.  
 Clyde Andrew Selleck, Field Artillery.  
 Kenneth Bailey Harmon, Ordnance Department.  
 Ernest Joseph Dawley, Field Artillery.  
 Elmore Beach Gray, Coast Artillery Corps.  
 Herbert O'Leary, Ordnance Department.  
 Harry Dwight Chamberlin, Cavalry.  
 James Irvin Muir, Infantry.  
 John Julius Waterman, Field Artillery.  
 Frank Drake, Coast Artillery Corps.  
 Meade Wildrick, Coast Artillery Corps.  
 Frederick Arthur Holmer, Coast Artillery Corps.  
 Daniel Huston Torrey, Adjutant General's Department.  
 John Millikin, Cavalry.  
 Durward Saunders Wilson, Infantry.  
 Maurice Duncan Welty, Infantry.  
 Charles Albert Chapman, Coast Artillery Corps.  
 Frank Floyd Scowden, Quartermaster Corps.  
 Herbert Edgar Marshburn, Infantry.  
 Charles Hines, Coast Artillery Corps.  
 Jack Whitehead Heard, Cavalry.  
 Walter Kilshaw Dunn, Coast Artillery Corps.  
 Walter Hale Frank, Air Corps.  
 Guy Woodman Chipman, Cavalry.

*To be majors*

Christiancy Pickett, Field Artillery.  
 Luis Felipe Cianchini, Infantry.  
 Roy Carter Hilton, Infantry.  
 John Cooper Adams, Field Artillery.  
 Theodore Besson Apgar, Cavalry.  
 Ernest Terrill Barco, Field Artillery.  
 Lester Amiel Daugherty, Field Artillery.  
 Leland Adrian Miller, Ordnance Department.  
 Raymond Edward O'Neill, Air Corps.  
 Robert Alexander Laird, Corps of Engineers.  
 Frank Melvin S. Johnson, Corps of Engineers.  
 Porter Prescott Lowry, Coast Artillery Corps.  
 Jerome Jackson Waters, Jr., Field Artillery.  
 William Almond Shely, Infantry.  
 John Urban Ayotte, Infantry.  
 Charles Heyward Barnwell, Jr., Infantry.  
 Thomas Grafton Hanson, Jr., Cavalry.  
 Edward George Herlihy, Infantry.  
 George Albert Moore, Cavalry.  
 James Madison Shelton, Cavalry.  
 Arnold John Funk, Infantry.  
 Alexander Shepherd Quintard, Field Artillery.  
 Harry Allen Skerry, Corps of Engineers.  
 John Battista La Guardia, Corps of Engineers.  
 Roscoe Stewart Parker, Cavalry.  
 Norman Minus, Infantry.  
 Heywood Shallus Dodd, Cavalry.  
 Kent Craig Lambert, Cavalry.  
 George Edward Huthsteiner, Cavalry.  
 Maurice Morgan, Coast Artillery Corps.  
 Sylvester Emery Nortner, Corps of Engineers.  
 Frank Wiltshire Gano, Corps of Engineers.  
 John Leonard Pierce, Infantry.  
 John Joseph Atkinson, Field Artillery.  
 Charles Frederick Houghton, Cavalry.

Lowell Warde Rooks, Infantry.  
 Samuel Davies Bedinger, Field Artillery.  
 Malcolm Vaughn Fortier, Infantry.  
 John Walter Nicholson, Infantry.  
 Thomas Allan Young, Infantry.  
 Ray Bradford Conner, Finance Department.  
 John Lloyd McKee, Infantry.  
 Glenn Luman Allen, Infantry.  
 Charles Rouse Jones, Infantry.  
 Willard Stewart Paul, Infantry.  
 Robert Henry Chance, Infantry.  
 Harry Augustine Buckley, Cavalry.  
 March Hugo Houser, Chemical Warfare Service.  
 Willfred Rowell Higgins, Infantry.  
 Jesse Plez Green, Infantry.  
 Howard Winthrow Turner, Field Artillery.  
 William Audley Taber, Infantry.  
 Henry Garner Sebastian, Infantry.  
 Wesley Crowell Brigham, Field Artillery.  
 Cyrus Higginson Searcy, Infantry.  
 Leon Edward Norris, Infantry.  
 Frederick Irving Eglin, Air Corps.  
 Jack Lester Meyer, Quartermaster Corps.  
 Turner Ransom Sharp, Quartermaster Corps.  
 Ira Augustus Correll, Cavalry.  
 Clay Irvin Hoppough, Signal Corps.  
 Remi Paul Hueper, Finance Department.  
 William Joshua Jackson, Quartermaster Corps.  
 Walter Earl Seamon, Infantry.  
 Fred During, Infantry.  
 John Robert Francis, Infantry.  
 Rene Eugene Fraile, Adjutant General's Department.  
 Allan Johnson, Infantry.  
 Peter Francis Meade, Quartermaster Corps.  
 Clinton Rush, Infantry.  
 Barret DeTuberville Lambert, Infantry.  
 Arthur Jack Stark, Infantry.  
 George Louis Danforth, Field Artillery.  
 Ward Currey Goessling, Field Artillery.  
 Harold Burton Gibson, Cavalry.  
 Victor Roland Woodruff, Field Artillery.  
 Gustav Adolph Mellanchton Anderson, Infantry.  
 Melvin Selmer Williamson, Cavalry.  
 Robert William Yates, Field Artillery.  
 Dana Caswell Schmahl, Field Artillery.  
 Wilbur Granville Dockum, Field Artillery.  
 Clinton Mansfield Lucas, Field Artillery.  
 Harry Adamson, Infantry.  
 Samuel Gilbert Fairchild, Field Artillery.  
 Leslie Leonard Connett, Infantry.  
 Owen Rivers Rhoads, Infantry.  
 Carl Russell Adams, Coast Artillery Corps.  
 Joe L. Ostrander, Infantry.  
 George Walter Hovey, Coast Artillery Corps.  
 Elmer Forrest Wallender, Infantry.  
 Carl Eugene Driggers, Infantry.  
 Harry Vincent Hand, Infantry.  
 Ben Menadue Sawbridge, Field Artillery.  
 Dominic Joseph Sabini, Field Artillery.  
 Herman Feldman, Quartermaster Corps.  
 Ned Blair, Infantry.  
 Ernest Alvin Kindervater, Quartermaster Corps.  
 Jared Irwin Wood, Infantry.  
 Gordon Cogswell Irwin, Signal Corps.  
 Everett Marion Yon, Infantry.  
 Grady Henry Pendergrast, Infantry.  
 Robert Earle Frye, Infantry.  
 John Harvey Fye, Field Artillery.  
 George Mood MacMullin, Infantry.  
 Nicholas Szilagyi, Infantry.  
 Frederick Weston Hyde, Infantry.  
 Charles Royal Lehner, Field Artillery.  
 Rosser Lee Hunter, Infantry.  
 Carroll Arthur Powell, Signal Corps.  
 Feodor Otto Schmidt, Infantry.  
 James Francis Brittingham, Field Artillery.

Frank Clide De Langton, Cavalry.  
 Oscar Bergstrom Abbott, Infantry.  
 George Seymour McCullough, Infantry.  
 Carter Roderick McLennan, Cavalry.  
 Geoffrey Galwey, Cavalry.  
 Louis Garland Gibney, Cavalry.  
 David Seth Doggett, Field Artillery.  
 Thomas Grady Jenkins, Infantry.  
 Roy Dayton Burdick, Corps of Engineers.  
 Leslie Carlyle Wheat, Infantry.  
 Lawrence Harold Bixby, Field Artillery.  
 Walter Compere Lattimore, Field Artillery.  
 Charles James Booth, Cavalry.  
 Russell Hubbard Dixon, Field Artillery.  
 Everett Marshall Graves, Field Artillery.  
 William Tuttle Hamilton, Cavalry.  
 William Valentine McCreight, Infantry.  
 John Henry Ringe, Infantry.  
 Virgil Bell, Infantry.  
 Frederick Vernon Edgerton, Infantry.  
 William Granville Purdy, Infantry.  
 Chesley Ray Miller, Infantry.  
 Frederick Francis Duggan, Cavalry.  
 Walter Lee Mitchell, Infantry.  
 Robert Franklin Dark, Infantry.  
 Mimucan Dabney Cannon, Infantry.  
 Harry Howard Baird, Cavalry.  
 Ralph Slate, Infantry.  
 Nathan Eugene McCluer, Field Artillery.  
 Ernest John, Infantry.  
 Ralph Marshal Caulkins, Infantry.  
 William Taylor Bauskett, Jr., Cavalry.  
 Claudius Leo Lloyd, Infantry.  
 Carlisle Barksdale Cox, Cavalry.  
 Joseph Lester Brooks, Quartermaster Corps.  
 Carlos Watkins Bonham, Field Artillery.  
 Sidney James Cutler, Field Artillery.  
 William Mathew Cline, Quartermaster Corps.  
 Theodore James Sledge, Infantry.  
 Henry Hardy Slicer, Coast Artillery Corps.  
 Stanley Gloninger Saulnier, Infantry.  
 Will Hughes Gordon, Infantry.  
 Thomas Cole Brown, Infantry.  
 Thomas Joseph Johnston, Chemical Warfare Service.  
 John Marion Rhodes, Quartermaster Corps.  
 George Everett Hill, Jr., Signal Corps.  
 Dudley Blanchard Howard, Air Corps.  
 Willard Wadsworth Irvine, Coast Artillery Corps.  
 Charles Emerson Boyle, Field Artillery.  
 William Doughty Evans, Coast Artillery Corps.  
 William Benjamin Tuttle, Infantry.  
 Donald Armpriester Stroh, Infantry.  
 Edwin Adolph Henn, Field Artillery.  
 Russell Thomas George, Coast Artillery Corps.  
 Thomas Clyde McCormick, Field Artillery.  
 Alfred Mynderse Goldman, Field Artillery.  
 Erskine Ashley Franklin, Cavalry.  
 Albert Miller Jackson, Coast Artillery Corps.  
 George Raymond Owens, Coast Artillery Corps.  
 Andrew Davis Bruce, Infantry.  
 John Edward Maher, Cavalry.  
 Joseph Philip Kohn, Coast Artillery Corps.  
 Dallas Loyd Knoll, Quartermaster Corps.  
 Robert Justin Van Buskirk, Coast Artillery Corps.  
 Floyd Emerson Galloway, Air Corps.  
 John Edwin Selby, Cavalry.  
 Herbert Everett Watkins, Cavalry.  
 Henry Yost Lyon, Infantry.  
 Joseph Anthony Cistero, Infantry.  
 Thomas William Freeman, Infantry.  
 Paxton Sterrett Campbell, Infantry.  
 William Ross Irvin, Cavalry.  
 Alfred Lyons Baylies, Cavalry.  
 Roy Leo Schuyler, Infantry.  
 Charles Torrance McAleer, Signal Corps.

Louis DeSaussure Hutson, Infantry.  
 Lathan Hunter Collins, Cavalry.  
 Loren Prescott Stewart, Infantry.  
 Frederick Linwood Topping, Coast Artillery Corps.  
 Nathaniel Lewis Simmonds, Quartermaster Corps.  
 William Florence O'Donoghue, Infantry.  
 Alan Walter Jones, Infantry.  
 Myron Weldon Tupper, Quartermaster Corps.  
 Charles Richard Doran, Field Artillery.  
 Candler Asbury Wilkinson, Cavalry.  
 John Adams Hettinger, Cavalry.  
 William Byron Wilson, Infantry.  
 Stanley Young Kennedy, Infantry.  
 William Wilson Belcher, Field Artillery.  
 Paul Houston Morris, Cavalry.  
 John Richard Williams, Field Artillery.

*To be captains*

Hugh Chester Downey, Air Corps.  
 John Joseph Powers, Quartermaster Corps.  
 John Canning Wade, Corps of Engineers.  
 George William Goddard, Air Corps.  
 Charles Wingate Reed, Ordnance Department.  
 William John McCarthy, Coast Artillery Corps.  
 Jack Greer, Air Corps.  
 Guy Kirksey, Air Corps.  
 Thomas Herbert Chapman, Air Corps.  
 John Michael McDonnell, Air Corps.  
 Harry Hobson Mills, Air Corps.  
 Robert Van Thomas, Quartermaster Corps.  
 Angier Hobbs Foster, Air Corps.  
 Harry Grattan Dowdall, Infantry.  
 Edwin Sullivan, Air Corps.  
 Carroll Ray Hutchins, Quartermaster Corps.  
 John Raymond Drumm, Air Corps.  
 Oliver Kendall Robbins, Air Corps.  
 John Fidelis Connell, Finance Department.  
 John Sherman Gullet, Air Corps.  
 Roy Judson Caperton, Infantry.  
 Paul Kellam, Infantry.  
 John Raglan Glascock, Air Corps.  
 Enoch Graf, Quartermaster Corps.  
 Isaac Devaus Van Meter, Quartermaster Corps.  
 Ray L. Owens, Air Corps.  
 Charles Benjamin Leinbach, Field Artillery.  
 Henry Leonard Kersh, Field Artillery.  
 Lloyd Russell Garrison, Field Artillery.  
 Charles Gage Brenneman, Air Corps.  
 Raymond George Miller, Field Artillery.  
 Clyde Milton Hallam, Field Artillery.  
 Nicoll Fosdick Galbraith, Field Artillery.  
 William Adrian Enos, Field Artillery.  
 Norman Joseph Eckert, Field Artillery.  
 Hugh Cort, Field Artillery.  
 George Vardeman McPike, Air Corps.  
 Jasper Ewing Brady, Jr., Infantry.  
 George Good Cressey, Air Corps.  
 Clarence Edgar Crumrine, Air Corps.  
 Harry Kirsner, Quartermaster Corps.  
 Corley Perry McDarment, Air Corps.  
 Russell Hay Cooper, Air Corps.  
 Gaylord Leon Phipps, Infantry.  
 Henry Guy Woodward, Air Corps.  
 Clifford James Moore, Quartermaster Corps.  
 John Ross Morgan, Air Corps.  
 Roscoe Caleb Wriston, Air Corps.  
 Charles Edwin Thomas, Jr., Air Corps.  
 Frederick Andrew Johnson, Air Corps.  
 Henry William Brandhorst, Infantry.  
 Leonard Roberts Smith, Infantry.  
 Stanley Noble Partridge, Infantry.  
 James Bumer Jordan, Air Corps.  
 Albin Nace Caldwell, Quartermaster Corps.  
 Arvel Joshua Monger, Infantry.  
 John Hamilton Judd, Infantry.  
 Thomas Jefferson Ford, Chemical Warfare Service.

Charles Richardson Smith, Infantry.  
Raymond Edward Shum, Infantry.  
Kenton Parkes Cooley, Infantry.  
Lester Erasmus Gruber, Infantry.  
Fay Smith, Infantry.  
Alfred Nelson Taylor, Infantry.  
Jack Edmund Rycroft, Infantry.  
Ben Robert Jacobs, Infantry.  
Mark Christian Neff, Infantry.  
Jefferson Buckner Willis, Infantry.  
Lewis Dabney Hixson, Infantry.  
Clyde Girard Banks, Infantry.  
Ivan Downes Yeaton, Field Artillery.  
Thomas Everett Winstead, Infantry.  
Harry Cullins, Infantry.  
Alfred Edwin McKenney, Infantry.  
Henry Bosard Ellison, Infantry.  
Joe Arthur Hinton, Infantry.  
William Paul Hayes, Infantry.  
Earl Monroe Miner, Infantry.  
Eugene Lemuel Miller, Infantry.  
Reuben Ellis Jenkins, Infantry.  
Patrick Francis Powers, Chemical Warfare Service.  
Howard E. Pulliam, Infantry.  
Millard Fillmore Willet Oliver, Infantry.  
Thomas Alfred Northam, Infantry.  
James Robert Manees, Infantry.  
Roland Samuel Henderson, Infantry.  
James Cecilius White, Infantry.  
Norman Drysdale Gillet, Chemical Warfare Service.  
Jack Clemens Hodgson, Air Corps.  
Walter L. Reynold, Infantry.  
Carlisle Clyde Dusenbury, Infantry.  
James Leland Bolt, Infantry.  
John Harvey Becque, Chemical Warfare Service.  
Theodore Thomas Teague, Signal Corps.  
Eugene Vincent Elder, Signal Corps.  
Carter Weldon Clarke, Signal Corps.  
Ralph Gordon Richards, Quartermaster Corps.  
Paul La Rue Neal, Signal Corps.  
Ray Guy Harris, Air Corps.  
Harry Earl Reed, Infantry.  
Kameil Maertens, Infantry.  
James Cole Shivley, Air Corps.  
Clifford Smith, Quartermaster Corps.  
Charles Vernon Barnum, Infantry.  
James Culver Cluck, Air Corps.  
Richard Geter Rogers, Quartermaster Corps.  
Joseph Felix Routhier, Finance Department.  
Robert Taylor Strode, Field Artillery.  
Russell Dean Powell, Field Artillery.  
Charles Rudolph Carlson, Field Artillery.  
Harold Charles Raymond, Field Artillery.  
Charles Herbert Day, Field Artillery.  
Thomas Oscar Foreman, Field Artillery.  
Harry Lee Watts, Jr., Field Artillery.  
Harold Engerud, Cavalry.  
Raymond Thomas Joseph Higgins, Field Artillery.  
Walter Talcott Wilsey, Quartermaster Corps.  
Albert James Hastings, Field Artillery.  
Seward Lincoln Mains, Jr., Field Artillery.  
Herbert Glendon Messer, Signal Corps.  
Charles Kellogg McAlister, Field Artillery.  
Thomas Francis Keefe, Field Artillery.  
Edward Harold Metzger, Field Artillery.  
Clinton Steele Berrien, Field Artillery.  
John Edward McCarthy, Infantry.  
Courtland Moshier Brown, Air Corps.  
Keith Kirkman Tatom, Infantry.  
Harry Walter Killpack, Infantry.  
Paul Revere Taylor, Infantry.  
William Noel Amis, Air Corps.  
Alva Edison McConnell, Quartermaster Corps.  
Hez McClellan, Air Corps.  
Harold Hibbard Carr, Air Corps.  
Carley Lawrence Marshall, Infantry.  
William Ernest Donegan, Infantry.

Rufus Benjamin Davidson, Air Corps.  
Stanley Milward Umstead, Air Corps.  
Robert Smith Williams, Quartermaster Corps.  
Roland Birnn, Air Corps.  
Stanton Thomas Smith, Air Corps.  
Harry Leo Zeller, Quartermaster Corps.  
Stephen Edward Stancisko, Field Artillery.  
Edward Vincent Freeman, Quartermaster Corps.  
Norman Crawford Caum, Infantry.  
Earl Thomas McCullough, Infantry.  
Clarence Lee King, Infantry.  
Evers Abbey, Air Corps.  
Otto Lucratus McDaniel, Field Artillery.  
Allan Francis Sullivan, Infantry.  
William Clarkson Huggins, Field Artillery.  
Thomas Walter Roane, Infantry.  
Herbert Hunter Harris, Infantry.  
James Alva Murphey, Infantry.  
William Daniel Schas, Infantry.  
William Robert Schaefer, Field Artillery.  
Moses Alexander, Infantry.  
Kenneth Edgar Kline, Infantry.  
Donald Dewey McCaskey, Infantry.  
Allen Agee Goodwyn, Infantry.  
Ralph Elmer Alexander, Infantry.  
Robert Howard Wylie, Quartermaster Corps.  
Charles Drysdale Simmonds, Infantry.  
Albert Pierson, Infantry.  
Sylvian Gaston Kindall, Infantry.  
John Hancock Holder, Quartermaster Corps.  
Joseph Popenjoy Bailey, Air Corps.  
Francis Pat Booker, Air Corps.  
Kenneth Campbell McGregor, Air Corps.  
Rafael Louis Salzmann, Infantry.  
Riley Finley Ennis, Infantry.  
Clarence Frost Horton, Air Corps.  
George Francis Wooley, Jr., Field Artillery.  
Clarence Edward Jones, Quartermaster Corps.  
Lawrence Cornwallis Collins, Infantry.  
John Joseph Johnson, Coast Artillery Corps.  
Porter Tate Gregory, Coast Artillery Corps.  
George Henry Bardsley, Ordnance Department.  
Ray Edward Dingeman, Coast Artillery Corps.  
Harry Albert Kuhn, Chemical Warfare Service.  
Arthur Edmond Wilson, Coast Artillery Corps.  
George Cobb Wynne, Quartermaster Corps.  
George Franklin Nichols, Coast Artillery Corps.  
Harry Frederick Meyers, Coast Artillery Corps.  
Ola Aloysius Nelson, Coast Artillery Corps.  
Thomas North, Field Artillery.  
William Chauncey Hutt, Quartermaster Corps.  
Arthur Nicholas Ziegler, Infantry.  
Henry Lee Kinnison, Jr., Cavalry.  
Robert Homer Soule, Infantry.  
Pardoe Martin, Air Corps.  
John Augustus Hunt, Quartermaster Corps.  
Raymond Rudolph Brown, Air Corps.  
William Ernest Griffin, Coast Artillery Corps.  
Edwin Charles Lickman, Infantry.  
Rudolph George Schmidt, Quartermaster Corps.  
Frank Williard Bullock, Signal Corps.  
Ralph Willerton French, Quartermaster Corps.  
David Lyddall Hardee, Infantry.  
Joseph Elmer Monhollan, Infantry.  
Whitfield Putnam Shepard, Infantry.  
Clifton Tredway Hunt, Corps of Engineers.  
Helmuth Ernest Beine, Infantry.  
Robert Scurlark Moore, Finance Department.  
Aloysius Joseph Tagliabue, Infantry.  
Cleon Lyle Williams, Infantry.  
David Ray Nimocks, Infantry.  
Archie Bird Whitlow, Infantry.  
William Thrower Pitts, Jr., Infantry.  
Fredrik Lorentsen Knudsen, Jr., Infantry.  
Jesse Thomas Harris, Infantry.  
Crowell Edward Pease, Field Artillery.  
Claude Bertram Avera, Quartermaster Corps.

William John McKiernan, Jr., Air Corps.  
 Newton Wesley Jones, Field Artillery.  
 Elden Quincy Faust, Quartermaster Corps.  
 Arthur Ellis Dewey, Quartermaster Corps.  
 Edwin Ray McReynolds, Air Corps.  
 David Glenn Lingle, Air Corps.  
 Michael Vincent Gannon, Field Artillery.  
 Emmett Augustus Niblack, Field Artillery.  
 Harry Van Horn Ellis, Quartermaster Corps.  
 Robert Morris Webster, Air Corps.  
 Ralph Hamilton Tate, Chemical Warfare Service.  
 Harold Spigelmyre, Quartermaster Corps.  
 Frank Harl Curtis, Infantry.  
 William Stanard Keller, Finance Department.  
 Thomas Harold Christian, Infantry.  
 Paul Revere Smith, Chemical Warfare Service.  
 Thearl Ward Essig, Infantry.  
 Frank Blanton Lindley, Infantry.  
 Carter Marion Kolb, Infantry.  
 Harold Almon Gardyne, Finance Department.  
 Grover Adlai Summa, Infantry.  
 Sam Purswell, Infantry.  
 George Jackson Rawlins, Cavalry.  
 Charles Backes, Air Corps.  
 Kent J. Nelson, Infantry.  
 Jesse Earl Canary, Infantry.  
 Richard Evans Glasson Opie, Infantry.  
 John Weckerling, Infantry.  
 Forbie Hiram Privett, Infantry.  
 James Bowcott Howat, Infantry.  
 Sigmund Franklin Landers, Air Corps.  
 Lawrence Eugene Heyduck, Field Artillery.  
 Milo Neil Clark, Air Corps.  
 Ernest Anthony Elwood, Field Artillery.  
 Lewis Peyton Jordan, Infantry.  
 Frederick Reinhold Undritz, Infantry.  
 Franklin Harwood Canlett, Field Artillery.  
 John DeLorme Eason, Infantry.  
 Richard Randolph Winslow, Infantry.  
 Charles Franklin Hudson, Infantry.  
 George Alfred MacKay, Chemical Warfare Service.  
 Harrison Gage Crocker, Air Corps.  
 John Myres Rooks, Quartermaster Corps.  
 Frank Scott Frickelton, Quartermaster Corps.  
 Ole Gunnar Hoaas, Corps of Engineers.  
 Dorcy LeRoy Decker, Quartermaster Corps.  
 Edward John Morris, Quartermaster Corps.  
 Fernand George Dumont, Infantry.  
 John James Carney, Infantry.  
 Ned Schramm, Air Corps.  
 Joseph Mathew Matson, Quartermaster Corps.  
 Don McNeal, Signal Corps.  
 Victor Lafayette Robinson, Quartermaster Corps.  
 Milton Edward Wilson, Quartermaster Corps.  
 Jesse Anthony Madarasz, Air Corps.  
 Edward Morris Robbins, Air Corps.  
 James Weston Hammond, Air Corps.  
 Leonard Francis Felio, Quartermaster Corps.  
 Robert Emmet Coughlin, Corps of Engineers.  
 Gaylord Burnam Kidwell, Quartermaster Corps.  
 Edwin Joseph McAllister, Infantry.  
 Albert Pierpont Barnes, Field Artillery.  
 William James Daw, Signal Corps.  
 Otto Ellis, Field Artillery.  
 Chester Arthur Horne, Field Artillery.  
 David Wood Griffiths, Corps of Engineers.  
 Arthur William Pence, Corps of Engineers.  
 Leslie Richard Groves, Jr., Corps of Engineers.  
 Frederic Bates Butler, Corps of Engineers.  
 Leverett Griggs Yoder, Corps of Engineers.  
 Harry Alexander Montgomery, Corps of Engineers.  
 Mark Mayo Boatner, Jr., Corps of Engineers.  
 David Ayres Depue Ogden, Corps of Engineers.  
 Carl Browne Schilling, Corps of Engineers.  
 Elmer Ellsworth Barnes, Corps of Engineers.  
 William Wesley Wanamaker, Corps of Engineers.

Beverly Carndine Snow, Corps of Engineers.  
 Richard Lee, Corps of Engineers.  
 Howard Louis Peckham, Corps of Engineers.  
 Charles Richard Bathurst, Corps of Engineers.  
 Wendell Phillips Trower, Corps of Engineers.  
 Robert Gilbert Lovett, Corps of Engineers.  
 Cornman Louis Hahn, Corps of Engineers.  
 Edwin Potter Lock, Jr., Corps of Engineers.  
 George Brooke McReynolds, Field Artillery.  
 Morris Williams Gilland, Corps of Engineers.  
 David Terrill Johnson, Corps of Engineers.  
 Randolph Piersol Williams, Air Corps.  
 Newell Lyon Hemenway, Corps of Engineers.  
 Arthur Joseph Sheridan, Corps of Engineers.  
 James George Christiansen, Corps of Engineers.  
 Benjamin Franklin Chadwick, Corps of Engineers.  
 Heath Twichell, Corps of Engineers.  
 Joseph Jones Twitty, Corps of Engineers.  
 Harrison Shaler, Ordnance Department.  
 Edmund Wilson Searby, Field Artillery.  
 Roger Manning Wicks, Field Artillery.  
 Robert Everett York, Corps of Engineers.  
 Chester Krum Harding, Corps of Engineers.  
 William Clarence Bennett, Jr., Corps of Engineers.  
 Claude Henry Chorpeneing, Corps of Engineers.  
 George Vernon Keyser, Field Artillery.  
 Frank Otto Bowman, Corps of Engineers.  
 Joseph Shirley Gorlinski, Corps of Engineers.  
 Albert Riani, Corps of Engineers.  
 Orville Ernest Walsh, Corps of Engineers.  
 Peter Paul Goerz, Corps of Engineers.  
 William Aylett Callaway, Infantry.  
 Howard Voorheis Canan, Corps of Engineers.  
 Vere Alfred Beers, Corps of Engineers.  
 Doswell Gullatt, Corps of Engineers.  
 John Bell Hughes, Corps of Engineers.  
 Lawrence Bradford Bixby, Field Artillery.  
 Harry Crawford, Field Artillery.  
 William Washington Webster, Field Artillery.  
 John Hamilton Hinds, Field Artillery.  
 John Marks Moore, Coast Artillery Corps.  
 George Gage Eddy, Ordnance Department.  
 Charles Edward Morrison, Cavalry.  
 William Powell Blair, Field Artillery.  
 William James Epes, Field Artillery.  
 John Hinton, Field Artillery.  
 Eric Spencer Molitor, Field Artillery.  
 Richard August Ericson, Coast Artillery Corps.  
 James Vincent Carroll, Field Artillery.  
 Arthur Emil Mickelsen, Signal Corps.  
 Paul Boyle Kelly, Coast Artillery.  
 Ernest Calhoun Norman, Field Artillery.  
 Christian Knudsen, Cavalry.  
 William Bobbs Miller, Infantry.  
 Charles Rolland Gildart, Field Artillery.  
 Richard Carrick Babbitt, Infantry.  
 Francis Bassett Valentine, Air Corps.  
 Charles Edward Hixon, Field Artillery.  
 Hammond McDougal Monroe, Infantry.  
 Bryan Evans, Field Artillery.  
 Bonner Frank Fellers, Coast Artillery Corps.  
 John William Middleton, Infantry.  
 Melton Adams Hatch, Coast Artillery Corps.  
 Kenneth Seymour Stice, Signal Corps.  
 Francis Andrew March 3d, Field Artillery.  
 George Maurice Badger, Coast Artillery Corps.  
 John Sheridan Winn, Jr., Field Artillery.  
 Marion Van Voorst, Signal Corps.  
 Frank Johnstone Cunningham, Coast Artillery Corps.  
 Thomas Tipton Thornburgh, Cavalry.  
 Hobart Reed Yeager, Air Corps.  
 Stuart Millikin Bevans, Field Artillery.  
 John Hiram Lewis, Jr., Field Artillery.  
 Gervais William Trichel, Coast Artillery Corps.  
 Vincent John Conrad, Infantry.  
 Thomas William Munford, Coast Artillery Corps.

*To be first lieutenants*

John Bourke Daly, Field Artillery.  
 William Henry Tunner, Air Corps.  
 Robert Tryon Frederick, Coast Artillery Corps.  
 Ralph Edward Koon, Air Corps.  
 Verdi Beethoven Barnes, Field Artillery.  
 Howard Graham Bunker, Air Corps.  
 Edward Cassel Reber, Field Artillery.  
 Henry Leo Flood, Infantry.  
 Allison Richard Hartman, Coast Artillery Corps.  
 Stuart Glover McLennan, Air Corps.  
 John Alexander Samford, Air Corps.  
 Douglas Glen Ludlam, Ordnance Department.  
 Legare Kilgore Tarrant, Coast Artillery Corps.  
 Harry Warren Halterman, Infantry.  
 William Mattingly Breckinridge, Infantry.  
 Arthur Richard Thomas, Coast Artillery Corps.  
 Paul Anthony Leahy, Coast Artillery Corps.  
 Madison Clinton Schepps, Infantry.  
 James Lowman Hathaway, Cavalry.  
 Douglas Crevier McNair, Field Artillery.  
 Fred Obediah Tally, Air Corps.  
 Walter Emerson Finnegan, Cavalry.  
 Russell Blair, Infantry.  
 Charles Ralph Pinkerton, Ordnance Department.  
 Edwin Augustus Cummings, Infantry.  
 Powhatan Moncure Morton, Cavalry.  
 Lionel Charles McGarr, Infantry.  
 James Melvin Lamont, Infantry.  
 Montgomery Breck Raymond, Coast Artillery Corps.  
 Noble James Wiley, Jr., Infantry.  
 Wilhelm Paul Johnson, Infantry.  
 Roger Maxwell Ramey, Air Corps.  
 Horace Lincoln Beall, Jr., Infantry.  
 Carl Ferdinand Fritzsche, Infantry.  
 John Peter Doidge, Infantry.  
 Forrest Gordon Allen, Air Corps.  
 Leigh Austin Fuller, Jr., Infantry.  
 John Thomas Murtha, Jr., Air Corps.  
 Ralph Joseph Butchers, Infantry.  
 John Severin Knudsen, Infantry.  
 Samuel Egbert Anderson, Air Corps.  
 Everett Davenport Peddicord, Coast Artillery Corps.  
 James Gallagher Bain, Coast Artillery Corps.  
 August William Schermacher, Coast Artillery Corps.  
 Robert Franklin Tomlin, Coast Artillery Corps.  
 Louis Test Vickers, Coast Artillery Corps.  
 Joseph Arthur Bulger, Air Corps.  
 Kilbourne Johnston, Infantry.  
 Robert Bernard Beattie, Infantry.  
 Ralph Harold Sievers, Quartermaster Corps.  
 John Raymond Gilchrist, Infantry.  
 Frank Rudolph Maerdian, Infantry.  
 George Francis Will, Infantry.  
 George Ferrow Smith, Air Corps.  
 Allen Wilson Reed, Air Corps.  
 Arthur William Meehan, Air Corps.  
 Frank Leonard Bock, Infantry.  
 Thomas Joseph Moran, Infantry.  
 James Elmer Totten, Infantry.  
 Truman Hempel Landon, Air Corps.  
 Charles Frank Howard, Infantry.  
 Hampden Eugene Montgomery, Jr., Infantry.  
 Elmer Wentworth Gude, Infantry.  
 Maurice Clinton Bisson, Air Corps.  
 Harry Edgar Wilson, Air Corps.  
 Charles Bowler King, Infantry.  
 Robert Williams Warren, Air Corps.  
 John Francis Wadman, Air Corps.  
 Delmar Taft Spivey, Air Corps.  
 Maury Spotswood Crallé, Infantry.  
 Ramon Antonio Nadal, Infantry.  
 Carroll Huston Prunty, Cavalry.  
 August Walter Kissner, Air Corps.  
 Edgar Elliott Enger, Infantry.  
 LaVerne George Saunders, Air Corps.

Tito George Moscatelli, Infantry.  
 Louis Russell Delmonico, Infantry.  
 George Henry Lawrence, Infantry.  
 George Clinton Willette, Infantry.  
 Francis Henry Boos, Infantry.  
 Gaulden McIntosh Watkins, Infantry.  
 Thomas Lilley Sherburne, Jr., Field Artillery.  
 John Francis Farra, Jr., Infantry.  
 Stanhope Brasfield Mason, Infantry.  
 Eugene Thomas Lewis, Infantry.  
 Allen Thayer, Infantry.  
 Emmett O'Donnell, Jr., Air Corps.  
 John Oliver Williams, Infantry.  
 Richard Wetherill, Jr., Infantry.  
 Donald Winston Titus, Air Corps.  
 Emmett Felix Yost, Air Corps.  
 Alfred Henry Parham, Infantry.  
 James William Lockett, Infantry.  
 Paul DeWitt Adams, Infantry.  
 Evan McLaren Houseman, Infantry.  
 Ralph Thomas Nelson, Infantry.  
 Robert Kinder Taylor, Air Corps.  
 James Morrow Ivy, Infantry.  
 Gellert Arthur Douglas, Infantry.  
 William Grant Caldwell, Infantry.  
 William Thomas Moore, Infantry.  
 Paul Jones Mitchell, Infantry.  
 Alfred Benjamin Denniston, Quartermaster Corps.  
 James Wilson Brown, Jr., Air Corps.  
 William Columbus Sams, Air Corps.  
 Robert Harper Kelly, Air Corps.  
 Joseph Franklin Trent, Infantry.  
 Edward Felix Shepherd, Quartermaster Corps.  
 Andrew Thomas McNamara, Infantry.  
 Thomas Mason Tarpley, Jr., Infantry.  
 James Francis Olive, Jr., Air Corps.  
 Edgar Alexander Sirmyer, Jr., Air Corps.  
 Thomas Webster Steed, Air Corps.  
 Paul Elliott MacLaughlin, Infantry.  
 Robert Edward Lee Pirtle, Air Corps.  
 Wilbur Erickson, Air Corps.  
 Lilburn Dimmitt Fator, Air Corps.  
 Archibald Meyer Kelley, Air Corps.  
 Ralph Orville Brownfield, Air Corps.  
 Joel Edward Mallory, Air Corps.  
 Lindsay Mansfield Bawse, Air Corps.  
 Donald Russell Lyon, Air Corps.  
 Warren Herbert Higgins, Air Corps.  
 Stanley Keith Robinson, Air Corps.  
 Willard Reno Shephard, Air Corps.  
 George Washington Hansen, Air Corps.  
 Minton William Kaye, Air Corps.  
 Aubry Lee Moore, Air Corps.  
 Ronald Roosevelt Walker, Air Corps.  
 Lloyd Harrison Tull, Air Corps.  
 Francis Marion Zeigler, Air Corps.  
 Frederic Ernst Glantzberg, Air Corps.  
 Eugene Herbert Rice, Air Corps.  
 Leland Samuel Stranathan, Air Corps.  
 Ernest Keeling Warburton, Air Corps.  
 LeRoy Hudson, Air Corps.  
 Roland Ogden Strand Akre, Air Corps.  
 Paul Ellis Shanahan, Air Corps.  
 Roger Vincent Williams, Air Corps.  
 Andrew Fred Solter, Air Corps.  
 Frederick Archibald Pillet, Air Corps.  
 William Hugh McArthur, Air Corps.  
 Reginald Heber, Air Corps.  
 Homer LeRoy Sanders, Air Corps.  
 Draper Frew Henry, Air Corps.  
 Robert Dilger Johnston, Air Corps.  
 Walter Robertson Agee, Air Corps.  
 Hansford Wesley Pennington, Air Corps.  
 Guy Frost Hix, Air Corps.  
 Donald Wells Buckman, Air Corps.  
 Murray Clarke Woodbury, Air Corps.

Norman Herbert Ives, Air Corps.  
Paul Bernard Wurtsmith, Air Corps.  
William Alexander Robert Robertson, Air Corps.  
Robert Edward Lee Choate, Air Corps.  
Edwin Roland French, Air Corps.  
John Williams Persons, Air Corps.  
William Chamberlayne Bentley, Jr., Air Corps.  
Sam Williamson Cheyney, Air Corps.  
Max Harrelson Warren, Air Corps.  
Edwin Lee Tucker, Air Corps.  
Ralph Columbus Rhudy, Air Corps.  
Isaac William Ott, Air Corps.  
Edward Holmes Underhill, Air Corps.  
Trenholm Jones Meyer, Air Corps.  
John Joseph Keough, Air Corps.  
William Houston Maverick, Air Corps.  
William Pryor Sloan, Air Corps.  
George Frost Kinzie, Air Corps.  
Albert Boyd, Air Corps.  
James Wayne McCauley, Air Corps.  
Thomas Robert Starratt, Air Corps.  
Edward Harrison Alexander, Air Corps.  
Frank Alton Armstrong, Jr., Air Corps.  
William Albert Matheny, Air Corps.  
John Patrick Kenny, Air Corps.  
Lambert Spencer Callaway, Air Corps.  
Reginald Franklin Conroy Vance, Air Corps.  
William Lecel Lee, Air Corps.  
David Dunbar Graves, Air Corps.  
Haywood Shepherd Hansell, Jr., Air Corps.  
William Truman Colman, Air Corps.  
Paul Mueller Jacobs, Air Corps.  
Dudley Durward Hale, Air Corps.  
Herbert Leonard Grills, Air Corps.  
Benjamin Scovill Kelsey, Air Corps.  
Thomas Lee Mosley, Air Corps.  
Raymond Lloyd Winn, Air Corps.  
Leonard Franklin Harman, Air Corps.  
Kingston Eric Tibbetts, Air Corps.  
Richard Henry Lee, Air Corps.  
Robert Wilson Stewart, Air Corps.  
Lewis R. Parker, Air Corps.  
Walter Archibald Fenander, Air Corps.  
William Maurice Morgan, Air Corps.  
Richard Irvine Dugan, Air Corps.  
Edwin Minor Day, Air Corps.  
Jack Weston Wood, Air Corps.  
James Herbert Wallace, Air Corps.  
Horace Fennell Sykes, Jr., Corps of Engineers.  
Raymond Leslie Hill, Corps of Engineers.  
Frank Lee Blue, Jr., Corps of Engineers.  
George Arthur Lincoln, Corps of Engineers.  
Kenneth David Nichols, Corps of Engineers.  
Don Zabriskie Zimmerman, Air Corps.  
Ernest Ward Carr, Corps of Engineers.  
James Adolph Ostrand, Jr., Corps of Engineers.  
Charles Theodore Tench, Corps of Engineers.  
Frank Hartman Forney, Corps of Engineers.  
Frederick Rodgers Dent, Jr., Air Corps.  
Harold Huntley Bassett, Air Corps.  
Paul Williams Thompson, Corps of Engineers.  
Howard Moore, Air Corps.  
John Floyd McCartney, Corps of Engineers.  
Carl Roemer Jones, Corps of Engineers.  
Alvin Galt Viney, Corps of Engineers.  
Walter King Wilson, Jr., Corps of Engineers.  
Bruce Douglass Rindlaub, Corps of Engineers.  
Herbert Milwit, Corps of Engineers.  
Ward Terry Abbott, Corps of Engineers.  
Benjamin Richard Wimer, Corps of Engineers.  
John Lloyd Person, Corps of Engineers.  
Harry Gage Montgomery, Jr., Air Corps.  
Frank Eugene Fries, Corps of Engineers.  
Thomas Atkins Adcock, Corps of Engineers.  
Thomas Jahn Sands, Field Artillery.  
John Stein Walker, Field Artillery.

James Burt Evans, Field Artillery.  
Frederic Henry Chaffee, Field Artillery.  
Roger James Browne, Air Corps.  
Joseph Jennings Ladd, Air Corps.  
Richard David Wentworth, Field Artillery.  
Robert George Henry Meyer, Signal Corps.  
William Jonathan Thompson, Field Artillery.  
James Percy Hannigan, Field Artillery.  
John Gresham Minniece, Jr., Cavalry.  
DeVere Parker Armstrong, Field Artillery.  
Merle Russell Thompson, Coast Artillery Corps.  
Douglas Golding Dwyre, Field Artillery.  
Clayton Earl Hughes, Field Artillery.  
Paul Singer Thompson, Field Artillery.  
Franklin Pierce Miller, Field Artillery.  
Dominick Joseph Calidonna, Signal Corps.  
David Ferdinand Brown, Field Artillery.  
Thomas Ludwell Bryan, Jr., Air Corps.  
John Knox Poole, Air Corps.  
Philip Henry Draper, Jr., Field Artillery.  
Richard Lee Scott, Infantry.  
Paul Elias, Coast Artillery Corps.  
Paul William Shumate, Cavalry.  
Harold Quiskie Huglin, Air Corps.  
William Lewis Bell, Jr., Infantry.  
James Theodore Barber, Coast Artillery Corps.  
Andrew Samuels, Jr., Coast Artillery Corps.  
Lawrence McIlroy Guyer, Coast Artillery Corps.  
Harold George Hayes, Signal Corps.  
Joseph Horridge, Coast Artillery Corps.  
Carl Henry Jark, Field Artillery.  
Donald Philip Graul, Signal Corps.  
Charles Blake McClelland, Jr., Cavalry.  
Robert Emzy Chandler, Field Artillery.  
Edwin Hugh John Carns, Cavalry.  
Charles Sommers, Air Corps.  
Joseph Milton Colby, Cavalry.  
Roy Eugene Hattan, Field Artillery.  
John James LaPpage, Cavalry.  
Wayland Henry Parr, Coast Artillery Corps.  
John Elliot Theimer, Field Artillery.  
William Price Connally, Jr., Field Artillery.  
John Coleman Horton, Air Corps.  
George William Peake, Field Artillery.  
Dale Raymond French, Field Artillery.  
Walter Elmer Kraus, Field Artillery.  
Marshall Stanley Roth, Air Corps.  
David Mural Perkins, Field Artillery.  
Rudolph Fink, Air Corps.  
Robert Maurice Kraft, Air Corps.  
Oliver Hardin Gilbert, Coast Artillery Corps.  
Ralph Robert Mace, Field Artillery.  
Edwin George Griffith, Coast Artillery Corps.  
William Lewis McCulla, Coast Artillery Corps.  
Norman Edwin Poinier, Field Artillery.  
Laurence Hilliard Brownlee, Coast Artillery Corps.  
John David Francis Phillips, Field Artillery.  
Sidney Andrew Ofsthun, Air Corps.  
George Richard Carey, Coast Artillery.  
William Evens Hall, Air Corps.  
Frederic Harrison Smith, Jr., Air Corps.  
William James Latimer, Jr., Field Artillery.  
Donald John Keirn, Air Corps.  
Luster Azil Vickrey, Field Artillery.  
Airel Burr Cooper, Signal Corps.  
William Miller Vestal, Coast Artillery Corps.  
Myles Wilkenson Brewster, Field Artillery.  
Dwight Bahney Schannep, Air Corps.  
George Waite Coolidge, Cavalry.  
James Franklin Brooke, Jr., Signal Corps.  
Kenneth Johnson Woodbury, Coast Artillery Corps.  
Norman Alverton Congdon, Coast Artillery Corps.  
Robert Moffat Losey, Air Corps.  
Daniel Norman Sundt, Field Artillery.  
James Lee Beynon, Field Artillery.  
William Tremlett Kirn, Field Artillery.

William Hopkins Greear, Cavalry.  
 Harold Stevens Whiteley, Field Artillery.  
 John Jackson O'Hara, Jr., Air Corps.  
 John Spencer Nesbitt, Field Artillery.  
 Milton Andre Acklen, Cavalry.  
 James Gordon Harding, Field Artillery.  
 Chandler Prather Robbins, Jr., Cavalry.  
 Emery Scott Wetzel, Air Corps.  
 Frank M. Steadman, Field Artillery.  
 William Lafayette Fagg, Infantry.  
 Jacob George Reynolds, Coast Artillery Corps.  
 William Darwin Hamlin, Signal Corps.  
 Francis Emmons Fellows, Field Artillery.  
 John Myron Underwood, Infantry.  
 Thomas West Hammond, Jr., Infantry.  
 Henry Ray McKenzie, Coast Artillery Corps.  
 Edmund Chauncey Rockefeller Lasher, Quartermaster Corps.  
 Paul Donal Harkins, Cavalry.  
 Thomas Fowler Taylor, Cavalry.  
 Edward Jamet McNally, Cavalry.  
 Eric Hilmer Frithiof Svensson, Jr., Cavalry.  
 Donald Alexander Poorman, Infantry.  
 William Milstead Talbot, Coast Artillery Corps.  
 George Milton Beaver, Infantry.  
 George Elial Bush, Infantry.  
 William Carson Bullock, Infantry.  
 Calvin Luther Partin, Coast Artillery Corps.  
 Robert William Ward, Infantry.  
 Frank Dow Merrill, Cavalry.  
 Louis Mortimer deLisle deRiemer, Cavalry.  
 George Eldridge Keeler, Jr., Coast Artillery Corps.  
 Hugh Warner Stevenson, Cavalry.  
 Leroy William Krauthoff, Infantry.  
 Robert Loomis Anderson, Coast Artillery Corps.  
 James Leitch Grier, Infantry.  
 Joseph Reisner Ranck, Cavalry.  
 Joseph Marcellus Lovell, Infantry.  
 Edward Blackburn Hempstead, Coast Artillery Corps.  
 William Ernest Karnes, Air Corps.  
 George Rich Barnes, Infantry.  
 Robert Gordon Crandall, Field Artillery.  
 Donald Manzanato Schorr, Cavalry.  
 Kai Eduard Rasmussen, Coast Artillery Corps.  
 John Wesley Hammond, Infantry.  
 Laurence Neville Buck, Infantry.  
 Paul Wyatt Caraway, Infantry.  
 William Fulton McKee, Coast Artillery Corps.  
 Elmer Elsworth Kirkpatrick, Jr., Quartermaster Corps.  
 Wayne James Dunn, Cavalry.  
 William Gilmer Bowyer, Air Corps.  
 Eugene Louis Moseley, Infantry.  
 Edgar Thomas Conley, Jr., Infantry.  
 Kenneth Milton Briggs, Coast Artillery Corps.  
 Ezekiel Wimberly Napier, Air Corps.  
 Richard Claire Carpenter, Infantry.  
 Paul William Steinbeck, Jr., Coast Artillery Corps.  
 Charles Clarke White Allan, Cavalry.  
 Harlan Robinson Statham, Infantry.  
 James Bernard Quill, Cavalry.  
 William Kerr Ghormley, Quartermaster Corps.  
 Robert Little Cook, Infantry.  
 James Maurice Gavin, Infantry.  
 Fred Winchester Sladen, Jr., Infantry.  
 Ralph Nisley Woods, Infantry.  
 Russell Lowell Vittrup, Infantry.  
 Dale Joel Kinnee, Infantry.  
 John Drury Cone, Infantry.  
 Samuel Victor Stephenson, Air Corps.  
 Lester Skene Bork, Infantry.  
 Ralph Bishop Strader, Infantry.  
 Ernest Fred Heidland, Coast Artillery Corps.  
 Ralph Van Strauss, Infantry.  
 Charles Greene Calloway, Coast Artillery Corps.  
 George Robert Evans, Infantry.

William Hastings Francis, Coast Artillery Corps.  
 Thomas Benton McDonald, Air Corps.  
 Charles Theodore Arnett, Air Corps.  
 Louis Anderson Hammack, Infantry.  
 Daniel William Quinn, 3d, Infantry.  
 John Russell Seward, Coast Artillery Corps.  
 Melie John Coutlee, Air Corps.  
 Thomas Jefferson DuBose, Air Corps.  
 Daniel Campbell Doubleday, Air Corps.  
 Harlan Clyde Parks, Coast Artillery Corps.  
 Paul Lamar Freeman, Jr., Infantry.  
 James Joseph Mathews, Infantry.  
 Marshall Stubbs, Chemical Warfare Service.  
 Joseph Allen McNeerney, Infantry.  
 Clarence Renshaw, Quartermaster Corps.  
 Frederick Giddings, Infantry.  
 Charles Newton Hunter, Infantry.  
 Jerald Worden McCoy, Air Corps.  
 Logan Clarke, Infantry.  
 Randolph Bolling Hubbard, Infantry.  
 George Edward Lynch, Field Artillery.  
 Hugh Mackintosh, Infantry.  
 David Xavier Angluin, Infantry.  
 William Erwin Maulsby, Jr., Infantry.  
 Donald Archibald Stevning, Infantry.  
 Carl Bascombe Herndon, Infantry.  
 Charles Guthrie Rau, Infantry.  
 Pearl Harvey Robey, Air Corps.  
 Charles Glendon Williamson, Air Corps.  
 James Julius Winn, Infantry.  
 Wesley Carlton Wilson, Infantry.  
 John Lyford Hornor, Jr., Quartermaster Corps.  
 Daniel Fulbright Walker, Field Artillery.  
 John Kauffman Bryan, Field Artillery.  
 George Putnam Moody, Air Corps.  
 Nelson Marquis Lynde, Jr., Infantry.  
 Charles Dudley Wiegand, Infantry.  
 Charles Howard Treat, Infantry.  
 Thomas Bolyn Smothers, Jr., Infantry.  
 John Francis Regis Seitz, Infantry.  
 Bruce Easley, Jr., Infantry.  
 Edgar Wright, Jr., Infantry.  
 William Lester Nave, Infantry.  
 Edwards Edgecombe Cruise, Infantry.  
 Brendan McKay Greeley, Infantry.  
 Ralph Copeland Cooper, Field Artillery.  
 John Ambrose Geary, Infantry.  
 John Warren Joyes, Jr., Infantry.  
 Everett Clifton Hayden, Quartermaster Corps.  
 William Henry Shimonek, Infantry.

## MEDICAL CORPS

*To be colonel*

William Lee Hart

*To be lieutenant colonel*

Fletcher Olin McFarland

*To be major*

Hubert Maurice Nicholson

*To be captains*

Albert Russel Driesbach

Leonard Theodore Peterson

William Weaver Nichol

George Prazak

Richard Paul Johnson

Fred Rueb, Jr.

Joseph Upton Weaver

Alfred Henry Brauer

George Darsie McGrew

Roger Hubbard Allbee

Leonard Frank Wilson

Urho Robert Merikangas

Major Samuel White

John Bernard Herman

Robert James Wilson

Clifford Gordon Blitch

Llewellyn Lancelot Barrow

## DENTAL CORPS

*To be lieutenant colonel*

Raymond William Pearson

## VETERINARY CORPS

*To be colonel*

Alfred Lewis Mason

*To be captains*

Charles Stunkard Greer

John Lloyd Owens

*To be first lieutenant*

George Townley Price

## MEDICAL ADMINISTRATIVE CORPS

*To be captain*

Edward Martin Wones

*To be first lieutenants*

Lewis Miller Gould

Paul Nixon

## CHAPLAINS

*To be chaplains with the rank of major*

Frank Lewis Miller

Ralph Conrad Deibert

Ralph Winfred Rogers

*To be chaplains with the rank of captain*

Christian Anthony Wachter

Leo James McDonald

## PROMOTIONS IN PHILIPPINE SCOUTS

*To be lieutenant colonel*

John Adoniram Sterling

*To be captains*

Charles Herbert Lantz

Joseph Luther Walecka

Frank Christian

Walter Lenius Dencker

Wilbur Nease Haltiwanger

Paul Adamson Hollister

Francis Marion Wilson

James Russell Brownell

Harold Russell Jordan

Charles Edgar Burchett

Henderson Wilcox Allen

Howard James Edmands

## POSTMASTERS

## NEBRASKA

Clara L. Bennett, Broken Bow.

Arnold W. Sorensen, Dannebrog.

## OKLAHOMA

James W. Gilbert, Sallisaw.

## TEXAS

Benjamin A. Borskey, Alvin.

Sam Hagin, Anna.

Richard P. Park, Aransas Pass.

Alton C. Barnes, Arlington.

Marshall L. Felker, Avinger.

Ogden Johnson, Beaumont.

Richard E. Trenckmann, Bellville.

C. Collins Moorhouse, Benjamin.

Lawrence C. Galbraith, Big Sandy.

Maurene E. Whiteside, Blackwell.

A. Burton Reagan, Brady.

Joseph H. Wright, Byers.

John R. Hays, Cameron.

Guy J. Harp, Canyon.

Faye D. Fite, Carthage.

Sarah E. Burns, Center.

Ambrose J. Denman, Channing.

Estelle Gibson, Chico.

Robert A. Goelzer, Chilton.

Bertram D. Wren, Clarksville.

Carl W. Appling, Claude.

Anna V. Smith, College Station.

Marion L. Garvin, Jr., Como.

Albert R. Racer, Crystal City.

J. Frank Weaver, Cumby.

Charlie L. Pratt, Daingerfield.

Daniel C. Atkinson, Dalhart.

Tom B. Lenox, De Kalb.

Zettie Kelley, Diboll.

Thomas F. Bice, Dimmitt.

Mary B. Harper, Eagle Pass.

William P. Slaton, Electra.

Fronie R. Allen, Emory.

Noel J. Reynolds, Ennis.

Noma N. Lokey, Farwell.

Sloan H. Osborn, Friona.

Melmoth Y. Stokes, Jr., Goldthwaite.

James L. Tally, Goliad.

Sue B. Mullins, Grapevine.

Jeff Gray, Groom.

James G. Ponder, Happy.

Hugh E. Minshew, Hawkins.

Tena N. Draper, Hebbbronville.

Ross Kenner, Hemphill.

Burris C. Jackson, Hillsboro.

Alice W. Dotson, Jewett.

John T. Holmes, Joaquin.

David W. Thompson, Keltys.

Clarence L. Wood, Killeen.

William P. Dowling, Kirbyville.

Richard J. Crow, Kountze.

Marcellus P. Adams, Lampasas.

James M. Edwards, Lewisville.

Carl A. Shipp, Liberty Hill.

Lula J. Moreland, Lindale.

Augustus A. Storey, Lockhart.

William C. Dowell, Lone Oak.

William H. Burns, Louise.

J. William Dyer, Mabank.

John J. Faubion, Marble Falls.

Fay F. Spragins, Martindale.

J. Alexander Able, Melvin.

Lou A. Wright, Milford.

Dallas S. Lankford, Mineola.

Grady W. Harris, Mobeetie.

Loyal N. Tyer, Mont Belvieu.

Ruth Norman, Morgan.

Louis O. Muenzler, New Ulm.

Mary S. Strong, Nocona.

Mardie J. Bennett, Normangee.

William T. Henderson, Odessa.

Jesse R. Thigpen, Omaha.

Lloyd O. Waldron, Panhandle.

Thomas W. Russell, Paris.

Rufus L. Hybarger, Pineland.

William G. Carlisle, Plano.

Ray S. Wait, Port Isabel.

Billie W. Sorey, Refugio.

Lino Perez, Rlogrande.

Jesse H. Harris, Rogers.

Smith W. Ribble, Roxton.

Alexander M. Bowie, San Benito.

William A. Smith, San Saba.

Wallace B. Alexander, Seymour.

Flake George, Shamrock.

Marion R. Alexander, Silverton.

Plummer M. Barfield, Sourlake.

Russell M. Chaney, Sulphur Springs.

Mary E. Holtzclaw, Tatum.

Frank Folsom, Teague.

Ida Bowers, Tenaha.

Otto Hegar, Tomball.

Hugh E. Weir, Troy.

James G. Simms, Valley Mills.

Pearson P. Pollard, Waskom.

Balser B. Hefner, Weimar.

Revis F. Curry, Wellington.

Samuel M. Gupton, West Columbia.

Fred W. Hines, Wiergate.

John B. Gibson, Winnsboro.

Olen T. Little, Woodson.

Annie H. Hughes, Woodville.

Tom H. Hood, Wortham.

Della Duncan, Wylie.

## HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 25, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we wait at the altar of Him whose name is above every name, the name at the sound of which every knee shall bow and every tongue shall confess as Lord, to the glory and honor of God. By Him we are taught that it is better to give than to receive and that blessed are the merciful, for they shall obtain mercy. Do Thou inspire the very soul of the Republic to let a burst of radiance come through the dim, open doors of a remembered happiness. Let disappointment and privation, sickness and wounded affection work in us all a blessed and a spiritual enrichment. May we understand that through sorrow we find joy, through poverty we inherit true riches, and through humiliation we ascend to the seat of honor. Almighty God, increase our scope of thought and the magnitude of those sources by which we order our conduct. In the name of our Savior.

The Journal of the proceedings of yesterday was read and approved.

## ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

## COMMITTEE ON FOREIGN AFFAIRS

Mr. McREYNOLDS. Mr. Speaker, I offer the following resolution and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

## House Resolution 71

*Resolved*, That for the purposes of obtaining information necessary as a basis for legislation the Committee on Foreign Affairs of the Seventy-fourth Congress is authorized, as a committee, by subcommittee or otherwise, to continue the investigation begun under authority of House Resolution 404 of the Seventy-third Congress, and for such purposes said committee shall have the same power and authority as that conferred upon the Committee on Foreign Affairs by House Resolution 404 of the Seventy-third Congress. The unexpended balance of the appropriation of \$10,000 under House Resolution 444, Seventy-third Congress, is hereby continued for such purposes.

Mr. SNELL. Mr. Speaker, reserving the right to object, may I ask the gentleman a question? How much longer does the gentleman think it will be necessary to continue this investigation?

Mr. McREYNOLDS. Simply long enough for the drafting of the report.

Mr. SNELL. The investigation itself, then, is practically completed?

Mr. McREYNOLDS. Yes; and we have some \$4,000 left of the appropriation.

Mr. SNELL. That is a good record.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I should like to ask a question or two. How much is it contemplated will be spent out of this balance of \$4,000 that remains now?

Mr. McREYNOLDS. We are trying to save as much as \$2,500 out of the \$10,000, if possible.

Mr. BLANTON. Will it cost \$1,500 to make this report?

Mr. McREYNOLDS. No; I think not; but there are some expenses already incurred that will have to be met. I could not tell the gentleman the exact amount.

Mr. BLANTON. There is not going to be any personnel employed?

Mr. McREYNOLDS. We have some personnel employed now.

Mr. BLANTON. I mean, any further personnel?

Mr. McREYNOLDS. No; but there are some expenses already incurred.

Mr. BLANTON. Then it is simply a matter of using whatever money is necessary out of this \$4,000 to prepare and present this report?

Mr. McREYNOLDS. Yes; and some little incidental expense already incurred.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## SECOND LIBERTY BOND ACT

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes; and pending that, I ask unanimous consent that there may be 1 hour of general debate, one-half to be controlled by the gentleman from Massachusetts [Mr. TREADWAY] and one-half by myself.

Mr. TREADWAY. Mr. Speaker, the request of the Chairman of the Ways and Means Committee is entirely agreeable to this side.

Mr. PATMAN. Mr. Speaker, reserving the right to object, I have asked the chairman of the committee for 5 minutes of time and I hope he has taken that into consideration in arriving at the amount of time to be used in general debate.

Mr. DOUGHTON. That will be arranged in a way agreeable to the gentleman.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to ask the gentleman some questions.

Will the measure we are going to consider now, with 1 hour of general debate, authorize the issuance of \$4,000,000,000 of bonds additional to those in existence now?

Mr. DOUGHTON. It authorizes the issuance of \$25,000,000,000 of bonds, but this is in lieu of the existing authorization of \$28,000,000,000. This supplants the present authorization.

Mr. BLANTON. But it will authorize the issuance and sale of \$4,000,000,000 of bonds that, incidentally, is connected with the legislation we passed yesterday?

Mr. DOUGHTON. No; not necessarily. Under this bill there can only be outstanding under the proposed amendment of the Second Liberty Bond Act at any one time \$25,000,000,000. There is outstanding now about \$13,000,000,000.

Mr. BLANTON. May I ask the gentleman this question? Is the income from all of the bonds that are to be issued to be tax exempt?

Mr. DOUGHTON. There has been no change, so far as I am aware, of the law relating to tax-exempt securities.

Mr. BLANTON. Then the income from them all will be exempt from taxation?

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield to me?

Mr. DOUGHTON. I yield.

Mr. SAMUEL B. HILL. The principal purpose of this legislation is the refunding, largely, of the existing bonds, and the bonds which take the place of those retired will have the same provisions as to taxes and tax exemptions as the ones outstanding.

Mr. BLANTON. I presumed that, but I am talking about whatever bonds are necessary to be issued to raise the \$4,000,000,000 that we are going to expend for public works. Are those bonds going to provide that the income be tax exempt?

Mr. DOUGHTON. Those bonds, like the other bonds, will have to be issued in accordance with existing law at that time.

Mr. BLANTON. Which provides that the income is exempt from taxation.

Mr. DOUGHTON. The measure that the gentleman mentions, providing for the issuance of \$4,000,000,000 of additional bonds, has not yet been enacted into law.

Mr. BLANTON. I should like to know as a matter of information whether it is possible for this Government to sell

\$4,000,000,000 of bonds without making the income tax exempt.

Mr. DOUGHTON. Under present law?

Mr. BLANTON. I mean, is it possible to have the law require the income to be taxable?

Mr. MARTIN of Massachusetts. Regular order, Mr. Speaker.

Mr. BLANTON. Oh, the gentleman must not be in too great a hurry. I am entitled to the information I seek, and I intend to get the information.

Mr. MARTIN of Massachusetts. The gentleman can get the information when we go into committee.

Mr. BLANTON. The information I want is from the chairman of the committee. I want to get it now. Is it possible for us to raise \$4,000,000,000 without making the income from such bonds tax exempt. If it is, I want to vote to stop the issuance of tax-exempt securities.

Mr. DOUGHTON. I think a good many of us have that purpose in mind.

Mr. BLANTON. But, of course, if that is not possible and we cannot raise the money without it, we will have to do the best we can.

Mr. DOUGHTON. The gentleman yesterday voted for a law that would make the issuing of this \$4,000,000,000 possible.

Mr. BLANTON. Yes; because the President of the United States requested us to do it.

Mr. DOUGHTON. Why did he not do it then?

Mr. BLANTON. Because the President requested Congress to pass that bill without amendment, but I raised the question in the committee of taking steps at the first opportune moment to stop the issuance of any further tax-exempt bonds. I am in dead earnest about carrying on a determined fight here to stop tax-exempt securities.

Of course, I realize full well that this \$4,000,000,000 must be raised to carry out this public-works project of the President. And if it is a fact that we cannot raise the money on bonds that are not tax exempt, and that the only way to raise it is under the present existing law, and I see that the committee indicates that that situation exists, then there is left nothing else for us to do except to vote for this bill. But before this session of Congress adjourns I am going to do everything that is possible to stop the issuance of tax-exempt securities, and to provide some legal way to tax the income from all tax-exempt securities.

Mr. BOILEAU. Reserving the right to object, I should like to ask the gentleman from North Carolina if it is possible to have more time on this very important bill than 1 hour for debate?

Mr. CULLEN. Mr. Speaker, I ask for the regular order.

Mr. DOUGHTON. I will say that I conferred with the gentleman from Massachusetts, the ranking minority Member, and he agreed that 1 hour was sufficient. There will be debate under the 5-minute rule.

Mr. TREADWAY. I have had requests for about half an hour. I thought that was ample, and it is ample so far as I am concerned on this side.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The motion of Mr. DOUGHTON was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. SUTPHIN in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

H. R. 4304, to amend the Second Liberty Bond Act as amended, and for other purposes.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. DOUGHTON. Mr. Chairman, the purpose of the bill under consideration is to amend the Second Liberty Bond

Act so as to permit the Government needs and requirements to be more economically financed.

Under the present Liberty Bond Act the amount of bonds that may be outstanding at any one time is limited to \$28,000,000,000. This bill, if it becomes a law and supplements that act, makes the amount that may be outstanding at any one time not over \$25,000,000,000.

At present there has been issued under existing law, the Second Liberty Bond Act, about \$25,000,000,000, and there is about thirteen and one-half billion dollars outstanding. Bonds to the amount of eleven and one-half billion dollars have been retired, and there is no authority for other bonds to be issued in their place.

Under the terms of this bill the \$25,000,000,000 of bonds would become a revolving fund; and of the bonds retired, other bonds could be issued in their place.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. MARTIN of Colorado. When these bonds are retired, how are they financed? The gentleman said eleven and one-half billions were retired. How were they retired? By what means? Were they paid off?

Mr. DOUGHTON. They were retired by redemption, I suppose.

Mr. MARTIN of Colorado. I understand that the outstanding indebtedness of the Government now is about \$27,000,000,000.

Mr. DOUGHTON. About \$28,000,000,000.

Mr. MARTIN of Colorado. That is what I am getting at. They have not really been paid off. They have been refinanced by other forms of Government obligations.

Mr. DOUGHTON. Treasury notes, certificates of indebtedness, and Treasury bills.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. TREADWAY. Is not this the situation, that certain bonds have been paid and, one might say, canceled by the Treasury, and others have been refunded. Is not that what the gentleman from Colorado has in mind—the refunding process?

Mr. MARTIN of Colorado. They have been refunded, but not paid out.

Mr. TREADWAY. That is correct. Many have been retired.

Mr. DOUGHTON. Some have been retired and others have been refunded. Under existing law we have issued approximately twenty-five and one-half of the twenty-eight billions authorized, leaving approximately two and one-half billions which still may be issued. Yet only thirteen and one-half billions' worth of these bonds are now outstanding, and practically eleven and one-half billions have been retired which, under existing law, cannot be replaced. The bill also amends existing law with respect to Treasury notes, certificates, and other forms of Government obligations. Under existing law \$20,000,000,000 can be issued in Treasury notes, certificates of indebtedness, bills, and so forth, but the law is so written that not more than \$10,000,000,000 can be issued in Treasury notes and \$10,000,000,000 in certificates of indebtedness and Treasury bills. The purpose of this is to consolidate these two authorizations, so that if it is to the advantage of the Government to issue more of one form than another, it would have the privilege of doing so. One form of indebtedness is sometimes more favorable at a low rate of interest than another form, and this bill is intended to make the authorization more flexible, and not to increase the amount that may be issued for Treasury notes, bills, and so forth. It is the purpose to consolidate so that at the option of the Government the Treasury Department can issue more of one form than another.

The bill also provides for the issuing of a new form of bonds known as "Government savings bonds", that can be purchased by small investors who wish to invest their earnings in Government securities. These bonds, under the provisions of this bill, may be issued in denominations as low as

\$25. They are intended ultimately to replace the issuing of Postal Savings bonds.

In other words, there are about 88 million dollars of Postal Savings bonds now out, and it is the purpose of the Treasury Department to discontinue issuance of those bonds, and issue these United States savings bonds which may be purchased by people of small means who desire to invest their savings in governmental bonds.

At the present time Liberty Loan bonds and other forms of bonds may be used as surety bonds, but bonds issued by the Home Owners' Loan Corporation and other forms of bonds are not usable in that way. This bill provides that any bonds, the principal and interest of which are guaranteed by the Government, may be used as surety bonds. If it is necessary for one to give a bond to the Government, and he has these bonds that are not now usable as surety bonds, he will not be forced to go into the market and purchase surety bonds, but can use these bonds in lieu of a bond sold by some bonding company.

It is thought the adoption of these amendments will enable the Secretary of the Treasury to issue the type of securities which, in his judgment, are best suited to meet the conditions of the market and the needs of the Government. In addition it will allow a further refunding of outstanding obligations. There are at the present time some \$5,000,000,000 of Liberty bonds bearing high interest rates which could be called in and refunded if the Treasury now had the authorization which is provided in this bill.

The benefits that would be derived are best shown by what has been accomplished since January 31, 1933, at which time the annual interest rate on the interest-bearing debt was 3.407 percent, whereas on December 31, 1934, the average rate was reduced to 2.96 percent. In other words if the average rate of 3.407 percent on January 31, 1933, had continued up to the present time, the amount of the interest charge would today be approximately \$125,000,000 greater than we are now paying.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. RICH. If we should reduce the interest rate to 2.96, then supposing an individual had a million dollars invested in these bonds, he would not necessarily pay any income tax upon them. Does not the gentleman believe that we could have these bonds not exempt from taxes and still get a low interest rate and thereby have those people with great income assist in paying the Government's obligations and debts. Does the gentleman not think it would be a good thing to have these bonds subject to taxation?

Mr. DOUGHTON. Yes; but not at as low a rate of interest. But we didn't deem it wise to make so radical a change as that in this bill. I think that is a subject that should be considered by this Congress; and so far as I know, no one objects to considering whether we should adopt such a policy.

Mr. RICH. When nobody objects, and we have the opportunity, why not take advantage of it and make them taxable?

Mr. DOUGHTON. We might ask the same question as to why that had not been done in the years past. I hope it will be done by this Congress.

Mr. RICH. If we have made mistakes in the years past, why continue?

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. I may say for the information of the gentleman from Pennsylvania [Mr. RICH] that several measures seeking to accomplish that purpose are now pending before the Ways and Means Committee. I also invite the gentleman's attention to the fact that this committee has, in the past on two different occasions, reported such legislation to the House. That matter is not being neglected. It is receiving attention and consideration.

Mr. TREADWAY. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. TREADWAY. I wish to corroborate what the gentleman has said, as well as what the gentleman from Tennessee [Mr. COOPER] has said. In addition to the bills

that are before the Ways and Means Committee, there is a constitutional-amendment suggestion that is now before the Committee on the Judiciary, which I have introduced, and I hope to be able to speak on it during the day.

Mr. COOPER of Tennessee. Will the gentleman yield further?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. I just want to point out one other point in connection with the so-called "savings bonds"—that is, the small bonds that are to be authorized under this legislation, which is something new; and that is that the limit that anyone may acquire of those bonds in 1 year's time is \$10,000.

Mr. DOUGHTON. That is correct.

Mr. COOPER of Tennessee. So that one individual may not buy up unduly large amounts of those small bonds, but they will be handled so as to meet the requirements, wishes, and needs of the small investors generally throughout the country.

Mr. DOUGHTON. That is a correct statement.

Mr. COOPER of Tennessee. And the further fact that the purpose is that those small bonds may be purchased at post offices throughout the country, so as to make them more accessible to the small investors.

Mr. DOUGHTON. That is a correct statement.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. VINSON of Kentucky. Further, in connection with the United States savings bonds, whatever that total will be is within the \$25,000,000,000 limitation?

Mr. DOUGHTON. In all there cannot be issued and outstanding at any one time more than \$25,000,000,000, but the purpose of this bill is to make it more flexible.

Mr. VINSON of Kentucky. The United States savings bonds are included within that \$25,000,000,000 limit?

Mr. DOUGHTON. That is correct.

Mr. CRAWFORD. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. CRAWFORD. May I ask if there is any provision in this bill which will take care of the small investors after they have invested their savings in these certificates, if the market begins to break on them and starts heading toward a loss of 16 or 18 percent, which occurred some time ago when the bonds of the United States were scattered through the holdings of individuals throughout the country, who were not in a position to protect their holdings, but through fear, forced their holdings on the market as low as \$82 a hundred?

Mr. DOUGHTON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. Those savings bonds are sold at a discount. If the condition obtains such as the gentleman just suggested, the price paid, plus the interest compounded semiannually, may be received by the purchaser of those savings bonds. It is in the nature of the war-savings stamps which were issued during another great fight the United States was in.

Mr. DOUGHTON. When anyone invests his money in bonds, of course, it is the same as any other investment.

Mr. VINSON of Kentucky. But the chairman knows full well that these savings bonds are sold at a discount, and the face value or maturity value is much larger, because there is included in that face value the interest that would accrue on the price paid. At any time before maturity date, the owner of those savings bonds may secure the discount price, plus the accrued interest.

Mr. CRAWFORD. Is that not similar to the way war-savings stamps were sold during the war?

Mr. VINSON of Kentucky. Very similar.

Mr. DOUGHTON. Of course, the gentleman would not expect there would be provided in any legislation any guarantee by which bonds cannot decline or advance. You have the advantage of the rise in value, and in all affairs of mankind there is always a risk of some kind. You cannot guarantee a man against loss and then give him the benefit of the gains.

Mr. RICH. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. RICH. Last year we passed a law in this House which gave the Secretary of the Treasury \$2,000,000,000 to stabilize the bonds of this country. Until we lose that money it will be used for that purpose.

Mr. DOUGHTON. And they have been stabilized to the extent they have been advancing in price all the time, and the interest rate has been getting lower all the time.

Mr. CRAWFORD. But will the price of these certificates be so stabilized to the small investor?

Mr. KENNEY. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KENNEY. Does the gentleman know what rate of interest is expected to be paid on these small bonds?

Mr. DOUGHTON. I do not think there is any fixed rate.

Mr. VINSON of Kentucky. The savings bonds yield not in excess of 3 percent compounded semiannually.

Mr. DOUGHTON. Yes. That is a correct statement.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to insert in the RECORD a table showing the amount of bonds that are now outstanding under the Second Liberty Loan, also the rate of interest prevailing on Government securities since January 1933.

The CHAIRMAN (Mr. SUTPHIN). Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

*Statement showing present authority to issue bonds, notes, certificates of indebtedness, and Treasury bills under the Second Liberty Bond Act, as amended, and under proposed amendments (Dec. 31, 1934)*

Bonds, under present authority:	
Total issuable.....	\$28,000,000,000
Total issued:	
Liberty bonds.....	\$14,948,096,150
Treasury bonds.....	10,502,390,965
	25,450,487,115
Balance now issuable.....	2,549,512,885
Total authorized.....	28,000,000,000
Total issued.....	25,450,487,115
Total retired.....	11,975,539,465
Total outstanding.....	13,474,947,650

Under proposed amendment:	
Total which may be outstanding at any one time.....	\$25,000,000,000
Now outstanding:	
Liberty bonds.....	\$3,194,086,650
Treasury bonds.....	10,280,861,000
	13,474,947,650
Balance issuable.....	11,525,052,350

Notes, certificates of indebtedness, and Treasury bills under present authority:	
Notes:	
Total which may be outstanding at any one time.....	10,000,000,000
Now outstanding, Treasury notes.....	9,586,377,400
Balance issuable.....	413,622,600

Certificates of indebtedness and Treasury bills:	
Total which may be outstanding at any one time.....	10,000,000,000
Now outstanding:	
Certificates of indebtedness.....	\$158,300,000
Treasury bills.....	1,954,168,000
	2,112,468,000
Balance issuable.....	7,887,532,000

Under proposed amendments, notes, certificates of indebtedness, and Treasury bills:	
Total which may be outstanding at any one time.....	20,000,000,000
Now outstanding:	
Notes.....	\$9,586,377,400
Certificates of indebtedness.....	158,300,000
Treasury bills.....	1,954,168,000
	11,698,845,400
Balance issuable.....	8,301,154,600

# Public debt data

[In millions of dollars]

	Gross debt	Interest-bearing debt	Annual interest charge	Annual average interest rate
1933				
Jan. 31.....	20,801.7	20,454.1	696.9	3.407
Feb. 28.....	20,934.7	20,584.3	698.8	3.395
Mar. 31.....	21,362.5	20,991.6	719.2	3.427
Apr. 30.....	21,441.2	21,087.0	721.3	3.421
May 31.....	21,853.4	21,498.8	732.5	3.412
June 30.....	22,538.7	22,157.6	742.2	3.350
July 31.....	22,609.9	22,239.8	743.7	3.344
Aug. 31.....	23,098.5	22,722.6	754.9	3.318
Sept. 30.....	23,050.8	22,671.8	751.2	3.313
Oct. 31.....	23,050.3	22,668.9	750.3	3.310
Nov. 30.....	23,534.1	23,161.4	771.7	3.332
Dec. 31.....	23,514.5	23,450.3	773.0	3.296
1934				
Jan. 31.....	25,071.1	24,716.9	797.1	3.225
Feb. 28.....	25,055.1	24,707.3	822.5	3.200
Mar. 31.....	26,157.5	25,698.2	831.1	3.234
Apr. 30.....	26,118.3	25,599.1	817.1	3.192
May 31.....	26,155.0	25,587.8	813.0	3.178
June 30.....	27,053.1	26,489.5	842.3	3.181
July 31.....	27,189.2	26,604.6	845.1	3.177
Aug. 31.....	27,079.9	26,495.1	843.1	3.182
Sept. 30.....	27,189.6	26,626.1	830.2	3.118
Oct. 31.....	27,188.0	26,643.0	809.6	3.039
Nov. 30.....	27,298.9	26,761.0	808.4	3.021
Dec. 31.....	28,478.7	27,944.0	827.1	2.960

Mr. TREADWAY. Mr. Chairman, very little can be said on this measure. The principal reason why so little can be said is that so little information has come to the Ways and Means Committee.

It may be of interest to the House to know that the Chairman of the Ways and Means Committee introduced this bill last Monday. On Tuesday morning the Secretary of the Treasury, accompanied by a group of his assistants, appeared at an executive meeting of the Ways and Means Committee. There was no reporter present; only a few members of the committee were present. The honorable Secretary was in the room possibly a half or three-quarters of an hour, and before he departed, a motion was made by a member of the majority to report this bill. That was last Tuesday morning. Yesterday afternoon the report, which is now being read by the Members for the first time, was available.

So that is the method of procedure, and it is the amount of information available to the House when a measure of this importance is brought to your attention. I do not pretend to know very much about it. But I am extremely critical of the manner in which important legislation reaches this floor without the slightest effort to give any explanation thereof.

I took exception to some of the remarks made by the Secretary of the Treasury during that executive hearing. It may not be quite in keeping to make one or two references to that hearing. For instance, the chairman of our committee has just referred to the reduction of the interest rate on Government securities. Why, it is no credit to the Treasury that the interest rate has been reduced. The Secretary of the Treasury seemed to take great credit to himself for this reduction. It is easily apparent why that reduction has taken place over the period of 2 years. There is not a man in this room but who knows that the business world has no confidence whatsoever in putting any capital into business; and, therefore, an investor naturally turns to his Government and says: "Here, the only thing I put any confidence in is the stability of the Federal Government, and, therefore, I want to buy some of your bonds. Keep my capital until such time as there is an opportunity to invest it with some degree of confidence in business."

Now, this is the explanation of the reason for the reduction in interest rates: The demand for Government bonds by investors.

Another remark that was made in answer to some questions by my colleague, the gentleman from New York [Mr. CROWTHER], was that no effort had been made on banks to force investment in Government securities. The Secretary of the Treasury, perhaps, was correct in saying that during

his administration since January 1, 1934, that had not been done; but any Member of Congress, or any man connected with a bank which was closed on the 4th of March 1933, knows perfectly well that in order to get capital to reopen that bank, the bank was obliged to issue new stock and get capital from the Federal Government.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. DOUGHTON. The purpose of that was to make the banks sound, safe, and secure and not for the purpose of selling Government obligations. Many of the banks could not be opened in the condition they were in; they were not sufficiently solvent.

Mr. TREADWAY. I am not making any reference to why it was done.

Mr. DOUGHTON. That is why it was done, as the gentleman will recall.

Mr. TREADWAY. I simply am saying what was done; and the Secretary of the Treasury did not seem to want to back up the action of his predecessor.

Mr. DOUGHTON. It was done for the interest of the banks and not for the interest of the Treasury.

Mr. TREADWAY. It was forced upon the banks in order to reopen the banks.

Mr. DOUGHTON. In order to make them sound so they could reopen.

Mr. TREADWAY. I went to the R. F. C. with enough bank officials to know the manner in which they got permission to reopen.

Mr. DOUGHTON. Mr. Chairman, if the gentleman will yield further—

Mr. TREADWAY. Certainly.

Mr. DOUGHTON. The gentleman is fair and he is intelligent. Now, was not the prime purpose to make the banks safe for the depositors' money and not for the benefit of the Treasury of the United States?

Mr. TREADWAY. The gentleman from North Carolina has one view of why it was done and I am entitled to my opinion as to another reason why it was done.

It was done, Mr. Chairman, in order that the Government itself could control all the banks of the country. That is the reason it was done. It is a further fact that today from 50 to 60 percent of the depositors' money in our banks is in Government securities and not in funds that are being used for commercial purposes.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. JENKINS of Ohio. Is it not true also that more than 50 percent of all Government securities are in the hands of the banks?

Mr. TREADWAY. Well, it is the same thing; the money of the depositors has come into the Treasury; and the reverse is, of course, true, as the gentleman says. It represents securities that have gone into the hands of the banks.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. DOUGHTON. Will not the gentleman also be kind enough to tell the House how much more money there is on deposit in the banks now than there was before the bank holiday, the great increase of deposits resulting from the confidence that has been reestablished in the banks?

Mr. TREADWAY. The gentleman may think there is increased confidence in North Carolina, but it does not exist among the business people in Massachusetts.

Mr. DOUGHTON. It exists all over the world.

Mr. TREADWAY. On the contrary, the business people of the country have not the confidence in the financial structure of this country today that he thinks they have.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. FORD. The gentleman stated that this action was taken for the purpose of putting the Government in control

of the banks. In view of the banking structure we had prior to 1933, will not the gentleman admit that it was about time the United States Government took control of the banks?

Mr. TREADWAY. The banking structure then existing, the Federal Reserve System, was established by the Wilson administration. It may not have been perfect, but I will say for it that it was a blamed sight better than what is being done now.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to my colleague from Massachusetts.

Mr. HEALEY. The gentleman does not want to leave the impression that there has not been an increase of confidence in the depositors in his own State of Massachusetts as reflected by the great increase of deposits in the banks of Massachusetts?

Mr. TREADWAY. I think the savings banks of Massachusetts are in splendid shape, and, of course, the national banks are now. I am not criticizing.

Mr. HEALEY. But the gentleman realizes that within the last year or two the deposits in the banks of Massachusetts have increased.

Mr. TREADWAY. The bank deposits have increased very largely, not, however, because the people have more confidence in our financial structure, but because they put their money in the banks rather than put it into industry.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Is it not a fact that the deposits in the banks are very much larger today than heretofore by reason of the F. D. I. C.?

Mr. TREADWAY. Which one of the alphabetical deals is that?

Mr. CRAWFORD. That is the Federal Deposit Insurance. Is it not also true that money is being kept in the banks under the Federal Deposit Insurance rather than being invested in industry because those small depositors know they can get the full face value of the deposits while in connection with investment in the certificates proposed by this bill they will be subject to market depreciation and may have to dump their certificates at a big loss?

Mr. TREADWAY. The gentleman from Michigan [Mr. CRAWFORD] is showing a very definite knowledge of business conditions, and such opinions as he expresses I am sure are of great value to this House.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Tennessee for a question, but I should like to allow some of the time to be used by other gentlemen on this side.

Mr. TAYLOR of Tennessee. Is there any valid reason why provision should not be written into this bill providing that the bonds to be issued shall not be subject to taxes? That is, the interest on the bonds issued?

Mr. TREADWAY. That is a question by itself, and I dislike to try to bring up the tax-exempt feature in the consideration of this measure. I think we had better let that pass for the time being.

Mr. RICH. Is it the duty of the Secretary of the Treasury to say what interest rate is to be paid on these bonds?

Mr. TREADWAY. The only direct reference to interest rates comes under this new issue of savings bonds.

Mr. COOPER of Tennessee. I think the gentleman is correct; but, if the gentleman will permit, of course, the question of market controls the matter of the interest rate.

Mr. RICH. Also the length of time in which these bonds are to run is left to the Secretary of the Treasury.

Mr. COOPER of Tennessee. Of course, there are four different types of Government securities issued, varying in periods of time.

Mr. DOUGHTON. That is for the purpose of taking advantage of whichever type may bring the lower rate. Sometimes the sale of one is to be obtained more readily than another with a lower rate of interest.

Mr. TREADWAY. The answer to the gentleman from Pennsylvania [Mr. RICH] appears on page 5, paragraph (b). I think that fully answers the gentleman's inquiry.

Mr. Chairman, my objection to the bill is to the manner in which it comes before the House, the lack of information, and the further curtailment of congressional power. We gave up yesterday all the legislative authority that was in existence. Here is just a little further example, and the probability is that this will continue to be the policy of the present administration, namely, to keep curtailing our power as representatives of the people and increasing the power of the Executive.

Mr. LORD. Will the gentleman yield for a question?

Mr. TREADWAY. I yield to the gentleman from New York very briefly.

Mr. LORD. The question has been brought up whether these bonds are going to be put out in such a way that the poor people may buy them. Is there any guaranty that the poor people will get back the amount of money they put in those bonds?

Mr. TREADWAY. I think that is a very pertinent inquiry, but I will have to refer you to the authority issued to the Secretary of the Treasury under paragraph (b). He could guarantee them and make rules and regulations that they may not be redeemed at less than the man put in them, but whether he will do that or not is a question to ask him, not me.

Mr. COOPER of Tennessee. And with 3-percent compound interest.

Mr. LORD. He is guaranteed to get back as much as he put in?

Mr. TREADWAY. No; there is no such guaranty.

Mr. COOPER of Tennessee. That is covered in paragraph (b), page 5, of the bill itself.

Mr. TREADWAY. That does not guarantee the return of the principal. Under existing law, the Treasury has been authorized to issue a total of \$28,000,000,000 of United States bonds.

This authority has been exhausted to the extent of \$25,500,000,000, leaving only \$2,500,000,000 that can still be issued without additional authorization from Congress.

The pending bill seeks to amend existing law by authorizing the Treasury to have outstanding at any one time \$25,000,000,000 of bonds.

Of the \$25,500,000,000 issued under the present authority, only \$13,500,000,000 are still outstanding. Thus the bill in effect authorizes the issue of \$11,500,000,000 of new bonds and gives the Treasury the right to reissue these bonds upon their maturity, as well as those now outstanding, without further authorization from Congress.

In other words, the bill gives the Treasury a permanent revolving fund of \$25,000,000,000.

In addition to its authority to issue bonds, the Treasury has the power under existing law to have outstanding at any one time \$10,000,000,000 of short-term Treasury bills and certificates and \$10,000,000,000 of 1-to-5-year Treasury notes.

There are now outstanding some \$9,500,000,000 of notes, but only \$2,000,000,000 of bills and certificates.

Under the pending measure, the present authority would be combined in one \$20,000,000,000 authorization, thus permitting the Treasury to issue short-term obligations with that total without restriction as to class.

Section 6 of the bill provides for the issuance of a new type of small-denomination bonds, to be known as "United States savings bonds." They would be issued under the general \$25,000,000,000 authority.

Mr. Chairman, I reserve the balance of my time.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

#### GOVERNMENT POLICY

Mr. PATMAN. Mr. Chairman, this bill will establish the policy of the Government in the future as to issuance of its own credit or as to the issuance of further tax-exempt, interest-bearing bonds. I am against the further issuance of tax-exempt, interest-bearing bonds, but not for the same

reason that many people are advocating eliminating from our laws the provision that permits their issuance.

My reason is that I do not want more bonds issued by the Government. Their reason is that they want the people in the States where they are owned to pay taxes to those municipalities, counties, and States. There is a big difference.

Any time you have \$28,000,000,000 worth of bonds outstanding and you permit them to be taxed locally, you will pay at least \$400,000,000 a year additional subsidy or bonus to the holders of these bonds, which they will in turn pass on to the taxing power in New York and other States, from the State government on down to the city government. The reason I am opposed to the further issuance of tax-exempt bonds is because I do not want any more bonds issued, but if you are going to issue them, there is a serious question in my mind as to whether they should be tax exempt.

Mr. Chairman, we have a national debt today of \$28,000,000,000. At 3-percent compound interest which this Government pays, we will pay during the next 30 years \$38,000,000,000 interest on the \$28,000,000,000 and we will still owe the \$28,000,000,000. During the next 60 years we will pay \$130,000,000,000 on the \$28,000,000,000 and we will still owe the original \$28,000,000,000.

Mr. Chairman, may I ask the Members to seriously consider what we are doing here? We are adopting a policy of issuing more tax-exempt, interest-bearing bonds and paying people for the use of the Government's own credit.

You are endorsing the principle of further farming out to the private corporations of this country, the banking institutions, the greatest privilege on earth—issuing and distributing the Nation's credit. Instead of further farming out to them this great privilege, I should like to vote to take away from them the privilege they have today.

The Federal Reserve banks are owned by private corporations. Not one dollar of stock is owned by the Government or by the people. Every dollar of stock in these money-issuing institutions, receiving their money from the Bureau of Engraving and Printing for 27 cents a thousand dollars, which is the cost of printing and is all that they pay—these banks are owned by private corporations. Therefore, you are farming out to a corporation that is owned by private corporations, the greatest privilege on earth that you can give—the power to issue blanket mortgages against all the property of all the people and the power to issue mortgages against every dollar that the people of this country earn.

This is what you are doing. Do you want to further extend this privilege and enlarge upon this power? If you do, pass this bill as it is here today. But I do not want to do this, and I am going to offer an amendment, and I am going to seriously insist upon the adoption of the amendment. This amendment will restrict the interest rate that will be permitted on these bonds to not exceeding one-half of 1 percent. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I am sorry we have not had more time to consider this bill. It is very fundamental to me for this reason: At the present time the banks of our country have taken the money which you and I and the other depositors placed in those banks and have purchased somewhere between \$12,000,000,000 and \$15,000,000,000 worth of Government bonds. They took this money and bought these bonds because the depositors let them do so.

This proposition is now submitted to us to change the picture because they figure that somewhere down this long lane the depositors will go to the bank cashiers and say, "I want my money", and when the bank cashiers meet that demand they will have to dump Government bonds on the bond market or place the bonds with the Treasury for collateral to secure currency. I do not believe the Secretary of the Treasury has enough money at his disposal to support the bond market; twelve to fourteen billions of dollars are offered by the banks in order to meet the demands of the depositors at a time when our people are again willing to

venture in industry and away from Government bonds. I am suspicious that someone else feels the same way.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I am sorry, I cannot yield.

Now, they propose to have "baby bonds" issued and sold to the washerwoman, the bellhop, the ditchdigger, and others who perform the stoop labor of the country, without any guarantee in the bill that this investment will be protected against loss by some racket or some manipulation of the bond market that may be imposed upon the small investors who take their earnings and invest in these "baby bonds" or savings certificates.

If you will put in this bill a proviso which guarantees the little investor the return of his principal so invested at any time he desires to "cash in", that will be something and that will create a market for some of this money which is now being carried by the depositors in the banks of this country.

I have two or three dollars in the bank and I am leaving it there, because it is guaranteed in principal, and I propose to leave it there until I can find that the Government will let me alone for 5 or 10 or 15 or 20 minutes, so I can draw the money out and invest it in property and put people back to work. I feel this so keenly that I must make this statement: In 1932, when business stopped and men lost hope and banks closed, I took my life-insurance policies, put them in hock, drew the money out, and helped put 7,000 men back to work, and risked and staked everything I had on earth or expected to have in order to keep people at work. As a result of this operation we paid into this Treasury Department nearly \$100,000 in income taxes on the operations of that year, and the group that went in with me, who were a group of 2,700 farmers, netted nearly \$700,000 out of the operation. [Applause.] That is the kind of relief we need in this country.

Mr. Chairman, coming from the industrial and agricultural walks of life, I have the past few days listened with great interest to the prejudiced statements which have been uttered from the floor of this House against organized business and the men who are charged with the responsibility of industrial leadership and to whom this Government and this administration and the majority now in this House look for relief in the placing on the pay rolls of this country some eleven million workers. One day we are asked to vote for the spending of \$4,000,000,000 in order to "prime the pump" and thus encourage industry to take hold and go about its business of employing people at living wages. The next day we are asked to vote for a measure which discourages industry and leads people away from industrial activity. This may all be "good politics", but it is very poor business.

Hurriedly reading this bill, I come to the conclusion that the Secretary of the Treasury now feels that the banks of this Nation will no longer support the purchase of Government bonds to the extent called for by House Joint Resolution 117 and which this House passed only yesterday and that now we must take steps to place the bonds in the hands of someone other than the banks. To carry out this request of the Secretary, it is now proposed to issue "baby bonds", or savings certificates, to be sold through the post-office windows and from other places and in denominations of as low as \$25 to the end that the poor of our country may even participate in the holdings of these "baby bonds." It is a truth that our poor people, when they are frugal enough to save from \$25 to \$50 or \$100, most all have an economic structure so constituted that it is only a short time until they have to liquidate their savings in order to meet some emergency.

Accordingly they are not in a position to place these "baby bonds" in a vault and forget them for 5 or 10 or 20 years and then cash them in. These bonds will not be negotiable instruments; instead, they will be as exchangeable in a way as is a \$5 bill. Therefore it will be very risky for the holders to leave them unprotected from thieves or other dangers of loss. When they have purchased these certificates or bonds, the next thing they will need is a safety deposit box, and how that does cost money. If I understand section 1 and section 22, part (a) of this bill, the Secretary may issue up to

\$25,000,000,000 of these "baby bonds." I wish to inquire of this House: If even one-fourth of this sum is issued in "baby bonds", how much of a loss will be suffered by the small purchasers of those bonds when the market runs down and they are forced to sell their holdings in order to meet actual living expenses? I wish to ask who will benefit through this loss on the account of that "bearish" market? I wish to ask why this bill does not carry a provision whereby the Secretary of the Treasury is specifically commanded to guarantee the principal cost of these "baby bonds" to those poor people who will invest their savings therein?

Is it not true that a stabilization fund is now in the hands of the Secretary with which to help protect the market at par on the bonds now held by the banks and the high and mighty of this country? Is it not also true that the extravagant spending program of this Government is now calling for such a vast issue of bonds that the Secretary now seeks other fields in which to place his issues, fearing that the bonds now held by the banks will eventually be dumped by the banks? Is it not true that when our people desire to return to their normal walks of life and again engage in producing food, clothing, and building shelter that the deposits now placed in banks by our people will be called back from the banks and invested in lands and factories and machinery and farm mortgages and goods on the shelf and our people thus put back to work and removed from the dole, from the welfare list, and from the Public Works pay rolls?

Is it not true that in seeking this "unorganized" purchasing power the Secretary is now going to the small wage earners and small-salary recipients to the end that he may now shift this burden of "market risks" away from the banks and to the small "baby-bond" holder? Is it not true that when this deal shall have been consummated it will again be possible for the "organized" money machine to bear down the price on these bonds and again scalp the small and weak holder through the purchase of these bonds at a price far below that paid by the original purchaser, who is in no way prepared to hold these bonds until maturity? Who is it that can purchase only in \$25 and \$50 lots and who is at the same time able to carry these "baby bonds" for a minimum of 10 years before they can cash in as this bill provides in section 22, paragraph (b)?

Mr. Chairman, often Members of this House stand here and malign the activities of some of our corporations for the nefarious practices they carry on against our people who cannot help themselves. Down through the years, while I have been engaged in industry, I have bitterly assailed the practice of corporations issuing stocks and bonds to their employees on an installment-purchase contract and without a guarantee to the employee against loss of principal invested. I have always contended that the corporation was in position to use duress on its employees through the offering of stocks and/or bonds on this basis, and that if offered at all, on a basis which would guarantee the unsuspecting employee against loss. So at this time I cannot refrain from calling to the attention of this House that it is very fundamental that this Government, in making an issue of securities of this nature, be very specific in providing against this loss to the small investor.

Recently this very Membership to a very great majority has voted a strict rule against those who would sell stocks and/or bonds to the investing public of this country. Through that legislation safeguards were attempted to be created which would protect the untrained and unsuspecting investor against loss through the "rigging" of the market. Can this Government fail to do as much in the issuance of its securities? Shall the great United States of America now be guilty of passing an act of this kind, designed to sell billions of dollars' worth of Government securities to poor people, small investors, the unsuspecting public without giving as much protection to them as the Government would have the corporations of this country give to the investors for those corporate securities? Ownership carries risk. This country cannot go on forever selling its bonds to banks only.

No doubt the Secretary now thinks it is time for the public to enter the Government-bond market. If that be true, then why does not the Secretary ask this House to grant the same protection to that public as has been granted to the banks which purchased the twelve to fifteen billion dollars' worth of Government securities? If this administration is now willing to ask the public to back up its faith in the new deal through the purchase of bonds issued to carry out the program of the new deal then why does not the administration go along and guarantee that part which is to be issued to the small purchaser, to the end that faith may be retained down through the years, and not only until the scalping takes place? The Secretary knows full well that so long as the great majority of bank credits, life-insurance premiums, and corporate-surplus savings are invested in Government bonds that little credit can be extended to so-called "organized" industry and to agriculture. If all savings are invested in bonds issued by the Government, then other lines of industry must suffer, farm values must remain at low ebb, production must decline, unemployment must increase, and Government costs must increase.

Wealth calls for production. Production gives people work. Work should be compensated by paying wages and salaries that enable the worker to maintain an American standard of living. When our people are thus engaged it will not be necessary for the Government to issue all these billions of dollars of securities, and then our poorer people will have a warmer place in the sun.

Mr. Chairman, I am opposed to the bill as it is now written. [Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SAMUEL B. HILL. Mr. Chairman, under existing law the Secretary of the Treasury has authority to issue Government securities in the form of Government bonds to a total of \$28,000,000,000. Under that authorization every issuance of a bond counts in making up the total of \$28,000,000,000, regardless of the fact that such an issuance may retire an equal amount of existing bonded indebtedness.

What this bill proposes to do is to authorize the Secretary of the Treasury to issue Government bonds to a total amount of \$25,000,000,000 that may be outstanding at any one time, so that when a refunding bond is issued and an existing bond is retired, that retired bond shall not count in the total limit that may be outstanding.

In addition to that, under the existing authority the Secretary of the Treasury has the right to issue Treasury notes to a total amount of \$10,000,000,000, and has the authority to issue Treasury certificates and Treasury bills to a combined total amount of not exceeding \$10,000,000,000.

Mr. MARTIN of Colorado. That would total \$45,000,000,000 outstanding.

Mr. SAMUEL B. HILL. Yes. This bill proposes to place the Treasury notes, Treasury bills, and Treasury certificates in one class, so far as the authorized amount of outstanding short-term securities at one time is concerned. Instead of having ten billion in notes and ten billion in certificates and bills we may have a total of twenty billion in notes, certificates, and bills.

Under the authorization existing at this time of a total of \$28,000,000,000 there has been issued from time to time a total amount of \$25,450,457,115, leaving an authorization at this time in the issuance of bonds only about two and one-half billion dollars.

Notwithstanding the fact that in the issuance of these bonds under this authority there have been retired bonds to the amount of \$11,975,539,000, leaving a total of outstanding bonds at this time of thirteen and one-half billion dollars in round numbers.

Of this total limit of \$28,000,000,000 there remains now in the Treasury authority to issue only about two and one-half billion dollars of additional bonds.

Mr. CARLSON. Will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. CARLSON. In case the bonus is authorized to be paid will this be sufficient to pay that bonus without additional authorization?

Mr. SAMUEL B. HILL. It will permit the issuance of bonds for the financing of any expenditure authorized by Congress.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. SAMUEL B. HILL. Mr. Chairman, I ask unanimous consent to extend by remarks in the Record and to insert a statement by the Treasury Department showing just the status of the outstanding bonds and what this bill would do if enacted, in the matter of authorization of the total amount that might be outstanding, both as to bonds and Treasury notes, as well as Treasury certificates and Treasury bills.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks in the Record and to insert a certain statement from the Treasury Department. Is there objection?

There was no objection.

The statement is as follows:

*Statement showing present authority to issue bonds, notes, certificates of indebtedness, and Treasury bills under the Second Liberty Bond Act, as amended, and under proposed amendments, Dec. 31, 1934*

Bonds, under present authority:	
Total issuable.....	\$28,000,000,000
Total issued:	
Liberty bonds.....	\$14,948,096,150
Treasury bonds.....	10,502,390,965
	25,450,487,115
Balance now issuable.....	2,549,512,885
Total authorized.....	28,000,000,000
Total issued.....	25,450,487,115
Total retired.....	11,975,539,465
Total outstanding.....	13,474,947,650

Under proposed amendment:	
Total which may be outstanding at any one time.....	25,000,000,000
Now outstanding:	
Liberty bonds.....	\$3,194,086,650
Treasury bonds.....	10,280,861,000
	13,474,947,650
Balance issuable.....	11,525,052,350

Notes, certificates of indebtedness, and Treasury bills under present authority:	
Notes:	
Total which may be outstanding at any one time.....	10,000,000,000
Now outstanding, Treasury notes.....	9,586,377,400
Balance issuable.....	413,622,600

Certificates of indebtedness and Treasury bills:	
Total which may be outstanding at any one time.....	10,000,000,000
Now outstanding:	
Certificates of indebtedness.....	\$158,300,000
Treasury bills.....	1,954,168,000
	2,112,468,000
Balance issuable.....	7,887,532,000

Under proposed amendments, notes, certificates of indebtedness, and Treasury bills:	
Total which may be outstanding at any one time.....	20,000,000,000
Now outstanding:	
Notes.....	\$9,586,377,400
Certificates of indebtedness.....	158,300,000
Treasury bills.....	1,954,168,000
	11,698,845,400
Balance issuable.....	8,301,154,600

Mr. TREADWAY. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, this bill looks rather simple on the face of it. Neither the reading of the bill nor the discussion of it here has aroused any great interest or deep concern. I do not know how the rest of you gentlemen feel, but I feel quite as great a sense of responsibility when I think of my people who sent me here as I have at any time since I have been in the Congress of the United States. It is not what the bill says on the face of it that disturbs me. It is what the bill portends so far as the future of the country is concerned. Mr. Secretary Mergenthau, when he appeared before the committee, admitted it would be impossible for this Government to finance the appropriation which the Democratic majority made yesterday of nearly \$5,000,000,000 without the aid of this or similar legislation. Just what does this bill mean? Let us look just for a moment behind the curtain, and I am not attempting to arouse any suspicion, and I realize that anything I may say will not change a vote in this House. I expect to vote for the bill, but I would feel derelict in my duty toward my constituents if I were not to express my honest views as to the actual purposes of the bill.

The bill provides that the Government can increase its borrowing power to \$45,000,000,000. What does that mean? It means that the Government expects eventually to use the power that is granted and that it will be necessary to use it. Another very significant clause in the bill is in regard to these "baby bonds," to be sold through the post offices in every part of the country. They are to be sold in small denominations and they are to be sold at a discount. These bonds will run for a longer time than the buying public—that is, the banks—care to buy at this time. I want the people in my district to take notice in regard to these so-called "baby bonds." I do not want them to be deceived at all as to just where the country is going and just what this bill seeks to anticipate when we arrive at the time, as we surely will, when the banks have no confidence in United States bonds, unless men pause to think and slow down this spending program that we are following at the present time. It means that we are headed for inflation, and I pray to God it may not be extreme or uncontrolled inflation, but all the signs of the times point in that direction, and thoughtful men, shrewd financial men all over this country, know that we are getting a little closer all the time to the precipice. It will not take a whole lot to shove us over. I hope that our country can be saved from what other countries have suffered.

I hope that the great working classes and the middle class, the thrifty, may be saved from the pestilential curse that has been visited on other splendid, enterprising civilized countries because the legislatures and the legislators in them have lacked the courage to face conditions and facts. The time is coming when the banks as trustees of their depositors will no longer buy these Government bonds. Remember that. Such a bill as that which the Democratic majority passed yesterday appropriating \$5,000,000,000 and some more bills which Congress has in contemplation, is going to hurry the day when wise investors will refuse to buy the bonds of Uncle Sam. This bill is anticipating that very grave zero hour. It is now proposed to approach the little man with a splendid bargain in "baby bonds" at a discount that will not mature until after that event occurs.

We have had an experience in the sale of "baby bonds." In April 1933, \$500,000,000 of notes or "baby bonds" were offered to the public in denominations of \$100 each, so that the little man, the laboring man, the school teacher, the doctor, could buy these bonds. To encourage the purchase of the bonds a statement was issued by the Secretary of the Treasury that the bonds would all be paid, principal and interest, in gold of the then standard. Within 3 months this Government that had made that promise through its official repudiated that promise. Time will tell and the courts will determine whether that repudiation stands or not. Are we, through the process of inflation, going to relieve the strain on the banks and depositors' funds, the stress and strain that is now causing the banks to hesitate to take our bonds, and unload the uncertain and precarious burden upon the shoulders of thrifty people of moderate

means? When I say this I am not an alarmist. I am revealing facts. I have here on the desk a report, the result of an exhaustive research carried on by one of the great, one of the very great universities of this country, looking to its self-preservation. I refer to Duke University, located in the State of my beloved chairman. The officials of the university thought they saw, and they still think they see, the approaching catastrophe. They know that the life of Duke University, as well as other endowed universities in this country, its very life, its very existence, and its ability to serve young America and to help underwrite the future of the United States, depends upon whether we have inflation or not. This great university caused to be made a most exhaustive research here and abroad so that every thoughtful man in the United States, every man interested in endowed institutions of any kind or character might see what would happen if inflation should come.

This research shows that in Germany, the University of Frankfurt had 38 gilt-edge endowments, largely in the Government bonds of Germany, guaranteed. After the inflation was over and the money was revalued, the University of Frankfurt found itself practically in bankruptcy. It realized less than 14 percent on what was supposed to be perfectly sound endowments.

The time has come, gentlemen—and I am not speaking politically, but I am speaking for my country and your country—when we cannot afford to have a bill of this character brought to the floor of this House unless a committee, such as the Ways and Means Committee, which, omitting myself, is composed of men of marked ability, with minds of keen power of analysis, financial experts, who should at least feel not only responsibility to this generation but, as Members of Congress and under the oath of office, should assume some responsibility for posterity. This bill should have been scrutinized with the utmost care, and we should have known the implications and purposes of the bill, not as written in the bill in technical language, but we should have a picture of where we are going and where it is all going to end, and just why this legislation has been asked for by the Treasury Department.

I will support the bill, because we are now driven to the point where we must have this legislation to meet the exigencies which the haste and waste of this administration have created. This bill is a danger signal hoisted in front of this great legislative body, that you may not go on in this manner of legislating with undue haste on these important matters lest inflation engulf the Nation. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. REED] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, I feel that the distinguished gentleman from New York [Mr. REED] is somewhat unduly alarmed.

I want to call the attention of the House to the fact that no one opposes this measure. No one as yet has spoken in opposition to the measure.

It is a measure of necessity, due to the money mechanics of our Government.

Yesterday we passed an authorization calling for \$4,000,000,000 expenditure in long-term obligations, Government bonds, and we only have authority to issue two and one-half billion dollars. It is not only a necessity, but every person who heard the splendid statement of the gentleman who graces the Treasury and in whom this country has confidence was impressed with the fact that it was a money-saving device. People may laugh off the fact that \$125,000,000 in interest was saved from January 1, 1933, to December 31, 1933, but this country recognizes that as an outstanding achievement.

One gentleman said he feared for the depositors in banks, and in the next breath he said he had \$2 or \$3 he was going to keep there because he was not afraid to leave them there. This country has confidence in our banking structure today. It has confidence in the administration. It has confidence

in the man in the White House, President Roosevelt, and this is a measure complementary of that passed yesterday, one of necessity, and a money-saving measure.

Mention was made about the limit of \$45,000,000,000 in indebtedness. May I call attention to the fact that under other administrations the limits were \$48,000,000,000; \$28,000,000,000 in long-term obligations and \$20,000,000,000 in short-term obligations. This bill does not increase the indebtedness of this country one single dime. It does not create any power to issue bonds or short-term obligations unless the Congress of the United States makes the authorization.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. MARTIN of Massachusetts. Will the gentleman tell us what administration had \$48,000,000,000?

Mr. VINSON of Kentucky. It has it now. The outside figure now is \$28,000,000,000 of long-term obligations and \$20,000,000,000 short term.

Mr. MARTIN of Massachusetts. But the gentleman said another administration. I am trying to find out what administration that was.

Mr. VINSON of Kentucky. It may be some gentlemen may not understand why it is necessary for the change with the \$28,000,000,000 authorization in the law. It is necessary because when those bonds were retired, they could not be reissued. We have outstanding now under long-term obligations thirteen and one-half billion dollars. I may say to the gentleman that this present law has been on the books far longer than the gentleman has been in Congress.

Mr. MARTIN of Massachusetts. I want to know what administration it was.

Mr. VINSON of Kentucky. It came into being under the war, the Wilson administration, and it stayed here under Mr. Harding. It stayed here under Mr. Coolidge, under Mr. Hoover, and now we are correcting the matter today under Mr. Roosevelt.

Mr. MARTIN of Massachusetts. It was under the Wilson administration.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. VINSON] has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That the Second Liberty Bond Act, as amended, is further amended as follows: The first paragraph of section 1 is amended to read as follows:

"The Secretary of the Treasury, with the approval of the President, is hereby authorized to borrow, from time to time, on the credit of the United States for the purposes of this act, to provide for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, or Treasury bills of the United States, and to meet expenditures authorized for the national security and defense and other public purposes authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor bonds of the United States: *Provided*, That the face amount of bonds issued under this section and section 22 of this act shall not exceed in the aggregate \$25,000,000,000 outstanding at any one time."

Mr. DIES. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. DIES: Page 2, line 8, after the word "aggregate", strike out "\$25,000,000,000 outstanding at any one time" and insert in lieu thereof the following: "At any one time three times the total amount of all outstanding currency of the United States."

Mr. DIES. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIES. Mr. Chairman, the purpose of this amendment is to limit the amount that the Government can issue in bonds to not exceed at any one time three times the amount of all outstanding currency of the United States Government. In other words, we have today \$5,500,000,000, approximately, of United States currency outstanding.

Under the terms of this amendment, in order for the Government to issue \$25,000,000,000 in bonds, it would be necessary to increase the total amount of currency outstanding in the United States to about \$8,000,000,000.

I know that there are gentlemen who will immediately say that this would be inflationary, but, as a matter of fact, we have in the Treasury today approximately eight and one-half billion dollars of gold and nearly a billion dollars of silver.

Against this gold we have an outstanding currency issue of approximately \$5,500,000,000. So we can safely issue currency against the gold profit that we have in the Treasury of the United States to the extent of \$2,500,000,000 in case we wanted to have a 100-percent reserve back of our currency; or in case we desired to issue currency based upon 40-percent metallic reserve, we could expand the currency issue much greater than that. We can preserve the stabilization fund and still issue against the gold a billion dollars of new currency.

Gentlemen talk about the harmful effect of inflation, but they should remember that the issuance of these bonds is inflationary, for we are creating an artificial purchasing power that is being borrowed on the future, a purchasing power that must eventually be paid by generations yet unborn, and a purchasing power that is exempt from all taxation. Not only are we creating an artificial purchasing power which must be paid for by the American people but we are, as an inducement to those who have capital, making these bonds exempt from all taxation.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DIES. I yield.

Mr. VINSON of Kentucky. Government bonds are not exempt from all taxation; they are subject to the surtax.

Mr. DIES. That is true.

Mr. VINSON of Kentucky. The gentleman's statements carry so much weight that I know he wants to be strictly accurate.

Mr. DIES. The gentleman is correct, and I accept the gentleman's amendment. But they are exempt from most taxes, are they not? Anyway they are exempt from municipal and State taxes and from a majority of Federal taxes. The effect is that we are transferring the burden of this indebtedness to the middle class and to the wage earners and farmers of the country because those who should share the responsibility of the Government, who should share their responsibility of this economic crisis and the tremendous expenditures incurred, will evade taxation, and the burden of this expenditure must be met by the middle classes in the United States.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DIES. I yield.

Mr. PATMAN. Is it not true that corporations do not pay the surtax? As the gentleman knows, I am very much interested in this subject.

Mr. VINSON of Kentucky. There is no surtax on the corporations.

Mr. DIES. I hope I may be permitted to continue. The gentleman on the other side has said that this is inflation. As I have pointed out, our present outstanding currency could be redeemed 100 percent in metal. Not only is that true, but, in carrying out my plan, we would in no way depart from sound currency, for we would still have 100-percent backing. It must not be forgotten that practically every country on the face of the earth has been compelled to expand its currency in order to meet the unusual situation throughout the world. France reduced its franc to one-fifth of its original weight and wiped out four-fifths of the debt of France, and they repudiated their foreign indebtedness. England, the country which has always represented conservatism in finance, not only resorted to drastic currency expansion and entirely wiped out a large percentage of its indebtedness—not only did it do that, but England captured the markets of the world by cheapening her currency below the currencies of other countries.

And so gentlemen talk about inflation. At least this amendment I am offering gives the House an opportunity to say that if you are going to have \$25,000,000,000 of bonds then you must have at least \$8,000,000,000 of currency outstanding and you must issue the currency on the basis of the gold profit that we made. [Applause.] Why did we revalue it; what was the purpose of revaluing the dollar if we did not intend to utilize that revaluation to lift from the backs of the American people the crushing tax burden and the crushing burden of indebtedness that is paralyzing industry in the United States? For what purpose have we now idle in the Treasury of the United States \$2,800,000,000 (with the exception of the limited amount used for the stabilization fund) if we do not intend at this moment of crisis to utilize it in order that we may put more money into circulation in the United States, not fiat money, not so-called "printing-press money", but money that has behind it an adequate metallic base? Not only will this enable us to take full advantage of the gold revaluation, but it will relieve to the extent of nearly \$3,000,000,000 the interest paid by the American people on that much indebtedness.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. DIES. I yield.

Mr. SAMUEL B. HILL. What is the logic in money economics of basing the inflation of the currency upon another form of Government indebtedness instead of upon the metallic base?

Mr. DIES. If we issue the currency upon the metallic base we have in the Treasury, we certainly meet the objections of every conservative and reactionary money advocate who denounces every form of currency with the exception of that which has a metallic base.

Mr. SAMUEL B. HILL. That question is not involved in this bill and we ought not to include it.

Mr. DIES. But we are providing in this bill for a possible bond issue of \$25,000,000,000, which, I understand, is to refinance outstanding bonds and notes. Are we not at least entitled to say that if the Treasury issues \$25,000,000,000 of bonds, then it must also issue and have outstanding at least \$8,000,000,000 of currency in the United States?

Mr. SAMUEL B. HILL. The gentleman is recognized as an authority.

Mr. DIES. No; I am not an authority.

Mr. SAMUEL B. HILL. What is the logic of that kind of argument?

Mr. DIES. The logic of that kind of argument is to make effective the Gold Revaluation Act, to lift from the backs of the taxpayers the burden of some of the tax-exempt securities, securities which exempt the people who ought to be bearing their share of the burdens. They are not bearing their proportionate share of the burdens of this depression but are escaping responsibility simply by buying tax-exempt securities. [Applause.]

Who is going to pay for this? The wage earners and the middle class and farmers who are not buying bonds. The people who cannot escape the burdens of this depression will bear the burden and pay the debt. I bring this matter before the House now, because sooner or later it is coming to a showdown. We cannot continue to issue in the United States bonds and tax-exempt securities.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Texas [Mr. Dies] has made a very able speech, one which I enjoyed listening to and one which at another time might be pertinent to a pending bill, but it was a speech absolutely irrelevant to the bill now before the House. The gentleman made a speech which causes an emotional reaction, but we have to look at this bill sanely, calmly, and coldly. This is not a bill that should be used as a vehicle for expanding the currency. Personally, I am not afraid of a controlled expansion of the currency, carrying with it velocity, but I will vote on that matter when the proper bill comes before us.

This bill has nothing for its immediate objective other than saving money to the taxpayers of this country. Its immediate purpose is to enable a refinancing of our outstanding indebtedness and to convert some short-time indebtedness into long-term indebtedness in a manner that will be beneficial to the taxpayers of this country. There has been some refinancing by the Treasury Department during the last year or year and a half, which has brought about a saving in interest payments to this country on its outstanding indebtedness of well over \$100,000,000. This has been done by the present able and distinguished Secretary of the Treasury, but it takes time to accomplish these things. It requires machinery, and this bill proposes to give the Secretary of the Treasury the machinery through which that might be accomplished in the future.

The gentleman from Texas [Mr. Dies] talks about bonds and currency being in a ratio of 3 to 1. I do not know much about the currency or the money question, although I have given it study in order to try to form an honest opinion in my own mind as to how I should vote when the matter comes before this House. My opinion as expressed by my vote may be wrong, but at least I am striving for evidence that will, so far as my own mind is concerned, satisfy me that it is an honest opinion. One of the things I have learned from my study is that currency is subject to the law of supply and demand, and the amendment of the gentleman from Texas [Mr. Dies], so far as this bill is concerned, does not give consideration to that question.

Mr. PETTENGILL. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. PETTENGILL. If there was a great demand for currency, there would be a greater supply?

Mr. McCORMACK. Yes.

Mr. DIES. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. DIES. The gentleman said that we ought to vote on this as an independent measure. The gentleman knows, does he not, that we will probably not have that opportunity?

Mr. McCORMACK. Oh, that is not the point.

Mr. DIES. That is practically the legislative situation.

Mr. McCORMACK. The gentleman from Texas is one of the leaders of the House of Representatives.

Mr. DIES. The gentleman flatters me.

Mr. McCORMACK. The gentleman has been recently elected to the Committee on Rules, and as a leader of the Democratic Party he certainly does not want to put himself in the position of offering an amendment which will defeat the very purpose the administration has in mind in presenting this bill, because I am sure the gentleman wants to collaborate with his own administration.

Mr. DIES. The President is requesting a bill to be passed by Congress authorizing him to issue \$3,000,000,000 in currency and in bonds. Will it be defeating the administration's policy to merely make effective the gold revaluation policy and put into effect laws that have already been passed? [Applause.]

Mr. McCORMACK. The gentleman is discussing a bill which has no relation to this bill. If a bill for that purpose is brought in, where it is a straight issue before the House, then the gentleman's argument is probably pertinent, but this is simply a bill the immediate objective and purpose of which is to permit the refinancing of the present outstanding indebtedness of the country and one which will result in a saving to the Government and to the American people.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Washington.

Mr. ZIONCHECK. If there are \$20,000,000,000 in currency today outstanding, will that bring about prosperity?

Mr. McCORMACK. That is a moot question.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ZIONCHECK. Has the gentleman heard anyone who advocated the increase of currency tell how this money would get into the pockets of the unemployed or the workmen?

Mr. McCORMACK. I do not want to get into a moot question. I do not want to have this bill put in a controversial position, and I do not want the bill to be misunderstood.

The arguments of the gentleman from Texas [Mr. DIES] impresses me, although I am not saying that I agree completely with them. I am also impressed by my own independent study which gives justification to a controlled expansion of the currency carrying with it velocity. That is why I believe payment of the bonus is the proper vehicle by and through which such velocity may be obtained.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. The statement of the distinguished and learned gentleman from Texas was in regard to the bond issue being three times the currency in circulation. Why does he not use the figures three and a half, four, or five times?

Mr. McCORMACK. I do not want to have that injected either. I want to have this bill presented to the Members in its true light. I think the gentleman from Kentucky analyzes and appreciates my state of mind correctly.

The amendment, no matter how praiseworthy, is a controversial amendment. I know the motives of my friend are high and sincere, but the ultimate result of the amendment, if adopted, would be to defeat a measure which the administration proposes and the operation of which will be beneficial to the taxpayers of this country.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. KENNEY. The gentleman is a member of the committee, and I have been trying to find out some information about the bill; and although it has been stated it is in the bill, I do not read it there. Does the gentleman know what the intention is as to the rate of interest on these bonds? Is it intended to pay at the rate of 3 percent, or something less than that?

Mr. McCORMACK. I cannot answer that question. All I can say to my friend is that there has been some refinancing by the Secretary of the Treasury, and the average annual interest rate on interest-bearing debt on January 31, 1933, was 3.407 percent, whereas—

Mr. KENNEY. I am talking about the savings bonds.

Mr. McCORMACK. On savings bonds I think it is 3 percent.

Whereas on December 31, 1934, the average rate of interest was 2.96, a reduction of .447 percent, and a saving of well over \$100,000,000.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Briefly, yes.

Mr. CRAWFORD. It is proposed to save an interest charge by paying interest to these baby-bond holders at the rate of 3 percent when the Treasury is selling bonds to the banks today at much less than 3 percent. Do you then propose to saddle that saving on the holders of these baby bonds, who will undoubtedly be forced to dump their bonds on the market with a loss in principal?

Mr. McCORMACK. The gentleman is drawing a conclusion.

Mr. CRAWFORD. The gentleman seems to know so much about this bill, I should like to have some information on it based on experience and study.

Mr. McCORMACK. The gentleman is drawing a supposition and a conclusion with which I am not in accord. The baby-bond provision is only a minor matter. The gentleman is advancing, as major opposition to this bill, something which is really only a minor matter.

I simply want to conclude with this statement: There is nothing political in this bill. As the gentlemen on the Republican side have well said, it is a simple bill. There is not anything controversial about the bill. The bill was reported unanimously by the committee, my Republican colleagues on the committee voting for it as well as my Democratic colleagues. It does not change in any material way existing law.

The bill has a simple purpose. However, its simple purpose becomes dangerous when it is proposed to be used as a vehicle for amendments to be offered which are highly controversial, and which involves the currency subject.

Clearing away all unnecessary verbiage, this measure simply gives to the Treasury Department the right to issue bonds up to \$25,000,000,000, a sort of revolving fund. It reduces the present outstanding maximum from \$28,000,000,000 to \$25,000,000,000. It does not in any way change the short-term indebtedness except instead of \$10,000,000,000 being in notes and \$10,000,000,000 in Treasury certificates, there is a maximum of \$20,000,000,000 for any form of short-term indebtedness, which maximum exists at the present time, although divided as I have stated.

The bill is simple, the bill has a definite purpose in view, and there is nothing controversial about it. It is aimed to benefit the Government and the taxpayers, and I hope the bill will go through in the form in which it has been reported by the entire Committee on Ways and Means. [Applause.]

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I offer an amendment to the Dies amendment.

The Clerk read as follows:

Mr. PATMAN offers an amendment to the Dies amendment: After the last word in the Dies amendment add a comma and insert "not including currency deposited or held by the Treasury."

Mr. PATMAN. Mr. Chairman, I hope the amendment is acceptable to the gentleman from Texas, and I am sure it is, because, as it is now, we have about \$10,000,000,000 in actual money, but about one-half of it is hoarded or held by the Treasury of the United States and is never in circulation.

So if we do not put this provision in, the additional money will be hoarded as the other has been hoarded for many years.

The gentleman from Massachusetts and the gentleman from Kentucky say why not make it three and a half or five to one. The distinguished gentleman from Texas [Mr. DIES] is seeking to make a definite step in the right direction. We cannot have a perfect bill by amending it on the floor but we can make a step—a definite, positive step—in the right direction, and that is what we are attempting to do.

The gentleman from Massachusetts [Mr. McCORMACK] says that it will interfere with the refunding operations. It will save the Government interest on money paid out.

Let the Government issue \$5,000,000,000 in currency and no one will be paying a penny of interest on the money outstanding. The taxpayer will not be required to pay one penny of interest, but if you issue bonds and sell the bonds to the banks—a mere matter of bookkeeping—the banks give the Government credit and the Government pays interest on the credit.

The proposition of the gentleman from Texas, Mr. DIES, and that of Mr. McCORMACK is the difference in the interest rate.

The proposition of the gentleman from Texas will save an enormous sum of money.

I dislike to amend a bill like this, but you can stay here 25 years and you will never have the question directly brought to you. You can be here 25 years, under the rules of this House, and you will never have a chance to vote directly on the proposition. If you want to make a step in the right direction, do it by voting for the amendment of the gentleman from Texas [Mr. DIES].

Oh, I know that Members will say, "If it had been brought up in the right way, I would have been glad to have voted for it." That is a good storm cellar. I do not know much

about parliamentary procedure, but that is a good storm cellar with all modern conveniences.

Mr. McCORMACK. I think the gentleman will agree that when I made the statement I could refer to evidence in the past in support of that statement.

Mr. PATMAN. Not when this question was being agitated. If this question were to die down and there was no agitation about it, no danger, possibly they would bring something up; but there is danger now, and the gentleman knows that no legislation will be brought out on the floor of this House that will permit this question to be voted on directly, and I ask the Members to vote for the Dies amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SAMUEL B. HILL. Mr. Chairman, if you want to kill this bill, then vote for the amendment offered by the gentleman from Texas [Mr. DIES], supported by the gentleman from Texas [Mr. PATMAN]. The amendment that Mr. DIES has offered here has no relevancy to the subject matter of this bill at all. He is talking about expanding the currency in accordance with legislation heretofore passed, but the purport of the amendment is to expand the volume of the currency upon the basis of another form of Government credit. That is not in keeping with the legislation to which he refers, the gold-devaluation legislation, and so forth. Here is a bill designed to enable the Secretary of the Treasury to refinance to the very best advantage of the country the outstanding indebtedness as it becomes due, and if you are going to give him that authority this bill should be passed as it is presented here, and the amendment of the gentleman from Texas should not be adopted. I understand very well that my friend, the gentleman from Texas [Mr. PATMAN], is opposed to Government bonds, or to the further issuance of Government bonds. I have no quarrel with him on that, but we have that system now, and you cannot change it in this bill at this time. This amendment does not propose to make that change, but if we are to enable the Secretary of the Treasury to do the things obviously necessary for him to do, then we must let this bill pass and vote down this amendment.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. MASSINGALE. What amount of bonds does this bill contemplate shall be issued in excess of the amount required to refund outstanding Government bonds?

Mr. SAMUEL B. HILL. Only such amount as shall be necessary to finance by bond issue the expenditures authorized by Congress in subsequent legislation.

Mr. MASSINGALE. Can the gentleman tell me approximately what that might be?

Mr. SAMUEL B. HILL. Any authorized expenditure which it might be necessary to meet by bonds can be made in that way under this bill up to the outside limit of \$25,000,000,000.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. McCORMACK. Of course the Secretary of the Treasury cannot issue new bonds unless the Congress authorizes it.

Mr. MASSINGALE. I get that. In addition to that I should like to be informed, if I may, in respect to this. The gentleman made a statement a while ago that this is not the time to offer an amendment or to entertain an idea of stopping the issuance of interest-bearing Government bonds. If not, why not?

Mr. SAMUEL B. HILL. Because we have that system in force. We have these bonds. They must be taken care of. The only way that you can do it is under the provisions of the bill that we have here or a similar bill. If you want to change the entire system, come in at some subsequent time and from that time on proceed without the issuance of bonds.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word. Mr. Chairman, the financial aspects of this

amendment have been thoroughly discussed today by the gentlemen from Texas [Mr. PATMAN and Mr. DIES] and by my good friend and colleague the gentleman from Massachusetts [Mr. McCORMACK], and by the committee. There is one thing that is very clear in my mind, however. I understand we have some \$36,000,000,000 worth of tax-exempt securities in the United States. I do not believe these securities should be tax exempt. It seems to me that any move in the direction of a controlled expansion of the currency, any move which will allow us to get some new currency out against the \$8,000,000,000 worth of gold that we have in the Treasury, would be a good thing, provided it does not go merely to the bankers of the country. We should get this money out amongst the people and get it in circulation. This amendment would not interfere with the financing of this \$5,000,000,000 bill that we passed yesterday. It simply gives the Treasury, you might say, an option on a certain amount of bonds being issued and a certain amount of currency being issued, thereby cutting down the issuance of more billions in bonds upon which the Government must pay interest.

I am not going to take the time of the House further, except to say that I have read a great deal on this subject, and I have listened to some learned discussions on the matter, and I have finally come to the point where I am in favor of a controlled expansion of the currency. You might call it "mild inflation." I do not see why, every time the Government wants to finance its expenditures, we have to turn out ten or twelve or twenty or thirty million dollars' worth of bonds and turn them over to the bankers, pay them interest on them, and then in the final analysis the working people of the country and the consumers of the country pay that debt, and very few workers or farmers can afford to purchase any bonds.

I simply close by saying that I intend to vote for the Dies amendment as amended by the Patman amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONNERY] has expired.

Mr. VINSON of Kentucky. Mr. Chairman, I rise in opposition to the pro forma amendment. My good friends the gentlemen from Texas, Messrs. PATMAN and DIES, are presenting amendments, and these gentlemen at no place in this debate have given you any authority for or the effect of their amendments. Now, I ask this House seriously where do they get the figure "three times the currency"? Nobody from the Treasury gives authority for that figure; no one else does. They do not tell you how many bonds will be permitted to be issued if these amendments are adopted. With the Patman amendment to the Dies amendment I do not know whether there would be authorized more than the thirteen and one-half billion in bonds now outstanding or not. Under the Dies amendment, I could make a computation. I could take five and one-half billion dollars in currency and multiply it by three and get sixteen and one-half billion dollars. In other words, there could be bonds issued to the extent of sixteen and one-half billion dollars. With thirteen and a half billion dollars of long-time bonds outstanding, there would be \$3,000,000,000 left. Now, where could we get the money to finance this authorization which we made yesterday of more than \$4,000,000,000 for relief to the needy public works in furtherance of the President's recovery program?

Mr. PATMAN. Will the gentleman yield for a question?

Mr. VINSON of Kentucky. In just a minute. Then they have some sort of a "presto change" tying it in with the \$800,000,000 of gold resulting from gold devaluation. One of the gentlemen said a small part of this gold is tied up with the stabilization fund. That is true. Two billion dollars is tied up in the stabilization fund. In other words, the larger part of this additional credit is already allocated.

It is a serious proposition when someone takes a lead pencil and writes the figure 3 in an amendment of this kind. It is time to stop and think whether it should be  $3\frac{1}{4}$ ,  $3\frac{1}{2}$ , 4, or 5 times, or what not, in order to effectuate the purpose of the authors of the amendments.

Mr. Chairman, I say in conclusion that there is no financial authority that justifies really serious consideration of

such amendment by men who were elected to represent great districts in this Congress. It is a most dangerous thing to legislate in the dark.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment to the amendment.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 53, noes 97.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the Dies amendment.

The amendment was rejected.

Mr. BOILEAU. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 2, line 9, at the end of the section, add a new section, as follows:  
"Sec. 2. Subsection (b) of section 5 and all of section 7 are hereby repealed."

Mr. McCORMACK. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill or to the section to which it is offered.

The CHAIRMAN. The Chair will hear the gentleman from Wisconsin on the point of order.

Mr. BOILEAU. Mr. Chairman, in my opinion there is no justification for the point of order raised by the gentleman from Massachusetts. The bill now under consideration begins with the statement that "the Second Liberty Loan Act as amended is further amended as follows"; and all of the amendments in this bill are amendments to that particular act.

The two sections proposed to be repealed by my amendment are now in the Second Liberty Loan Act. They deal with bonds that are issued and to be issued under authority of the Second Liberty Loan Act. That act provides that bonds issued under the authority of that act shall be tax-exempt, and bonds so issued have been tax-exempt. Bonds and securities issued under the authority of this bill, should it be enacted, would be tax-exempt because of the provisions of section 7 and subsection (b) of section 5 of the Second Liberty Loan Act; and it is these two sections that my amendment proposes to repeal so that no longer will we have this system of tax-exempt bonds. It will apply to all of the \$45,000,000,000 of bonds and Government securities authorized under the provisions of this bill. It directly affects this question by striking out the tax-exempt features. So I fail to see why it is not germane to this particular bill.

Mr. COOPER of Tennessee. Mr. Chairman, if I may be heard briefly on the point of order, I may say in support of the argument offered by the gentleman from Massachusetts that the subject matter presented by the amendment offered by the gentleman from Wisconsin relates to the question of revenue. This question is not involved in the pending measure. Therefore, the amendment is not germane to the bill as it is now presented, and I submit that the point of order should be sustained.

Mr. BOILEAU. Mr. Chairman, if I may be heard further in connection with the point of order, and very briefly, the bill we are now considering proposes to amend section 5 in many places. My amendment further amends this section; it strikes it out.

The CHAIRMAN. The Chair is ready to rule. The Chair is of the opinion that the amendment of the gentleman from Wisconsin applies not only to bonds to be issued but to bonds that have been issued.

The Chair, therefore, sustains the point of order.

Mr. BOILEAU. Mr. Chairman, may I be heard further on the point of order?

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order that the Chair having ruled, the gentleman from Wisconsin is not in order.

The CHAIRMAN. The Chair has sustained the point of order.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 2, line 9, after the word "time" and the period, insert "Provided further, That the annual rate of interest shall not exceed one-half of 1 percent on all issues of bonds, the proceeds of which are to be used to pay due indebtedness or to meet public expenditures authorized by law of the Government."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against this amendment on substantially the same ground offered against the amendment just disposed of. The amendment of the gentleman from Texas is not germane to the bill; and the purposes to be accomplished by this amendment are in no way within the scope of the bill now presented to the House for consideration.

The CHAIRMAN. The Chair will hear the gentleman from Texas on the point of order.

Mr. PATMAN. Mr. Chairman, my amendment is a limitation on the bill. In other words, section 1 provides that bonds may be issued by the United States Government. This is a limitation stating that in the event the bonds are issued that the rate of interest shall not exceed one-half of 1 percent except, of course, where it is for a refunding operation, purely a refunding operation, in which case the rate of interest may exceed one-half of 1 percent. This is the effect of the amendment, and certainly I do not see why it should be questioned.

The CHAIRMAN. May I ask the gentleman from Tennessee [Mr. COOPER] if the first section applies to all bonds or just to bonds to be reissued?

Mr. COOPER of Tennessee. It is my understanding that the first section applies to all bonds.

The CHAIRMAN. Then the gentleman's amendment is a limitation; therefore the Chair overrules the point of order.

Mr. PATMAN. Mr. Chairman, the 12 Federal Reserve banks now hold about \$3,000,000,000 in Government bonds. These bonds were purchased with Government credit; and the Federal Reserve banks, after purchasing the bonds with our Government's credit, continues to charge the Government interest on the bonds.

We will not have the least trouble on earth financing the Government through the Federal Reserve Banking System as now constituted; and if there should be any question about it, we can pay the member banks \$140,000,000 which they have invested and take over the Federal Reserve System and finance all the operations of the Government. The fundamental question involved here is: Are you going to continue to farm out to corporations owned by private corporations the greatest privilege on earth—issuing and distributing the Nation's credit—or are you willing to re-assume that duty as required of you under the Constitution of the United States that you are sworn to uphold and defend? That is the question before you at the present time.

If you want this Congress to assume that privilege, vote for this amendment. Of course, this will not completely accomplish what we have in mind, I must confess, but it will be a long step in that direction. Remember that you cannot do everything in this House that you would like. There are certain rules to go by and very seldom will a bill come up here that will permit you to offer a germane amendment in order to do what you would really like to do. And furthermore, you are handicapped because there is a Rules Committee that will bring out a closed rule. Furthermore, you go into the Committee of the Whole House when they take down that mace. They are in Committee now. There is no way to have a record vote. Therefore this gives you another storm cellar. There are plenty of storm cellars with all modern conveniences for the Members of Congress who do not want to change our monetary system. It is so arranged that whenever you argue you should not do it in this way you are arguing in effect that it should not be done at all.

Mr. Chairman, I have other amendments that I propose to offer after this one, and I hope the Chairman of the Ways and Means Committee will bear with me, will be patient and allow us to discuss this fundamental principle before the House.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Texas is endeavoring to change the system that we are operating under now, and the system that is now in existence, to that of issuing currency in lieu of bonds.

As stated in my previous remarks with reference to the amendment offered by the gentleman from Texas [Mr. DRES], we are not now quarreling with him upon that proposition. We have here at the present time a bill to authorize the Secretary of the Treasury to carry out certain refunding and refinancing operations, together with the refinancing of certain other obligations which this Congress is imposing upon the Government. It is evident that we must continue under the system we now have until it is changed. We must, through the issuance of bonds, finance this program that is now being projected. You cannot finance it through bonds bearing interest not to exceed one-half of 1 percent. If you place that limitation upon these bonds, the only possible way in which you could market the bonds would be at a discount below the par or face value of the bonds.

Mr. PATMAN. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from Texas for a question.

Mr. PATMAN. Is it not a fact we have this morning \$8,300,000,000 of gold in the Treasury, which would authorize the issuance of more than \$20,000,000,000 in money and still have more than a 40-percent gold coverage?

Mr. SAMUEL B. HILL. I am not quarreling with the gentleman on that question, but that is not in this bill, and the gentleman from Texas [Mr. PATMAN] knows that we cannot have that in this bill.

Mr. PATMAN. The gentleman knows very well that we will never have a better opportunity than this to make a long, positive, and definite step in that direction.

Mr. SAMUEL B. HILL. The gentleman from Texas knows that to put his amendment in this bill simply kills the legislation and will absolutely prevent the Secretary of the Treasury from carrying out these financial operations.

Mr. McCORMACK. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. What is the gentleman's opinion as to the effect which this amendment will have upon the financing of the relief bill that was passed yesterday?

Mr. SAMUEL B. HILL. It would make the carrying out of the provisions of that bill absolutely impossible unless the bonds were discounted below their par value.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 38, noes 92.

So the amendment was rejected.

Mr. PATMAN, Mr. BOILEAU, and Mr. DOUGHTON rose.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. PATMAN. Will the gentleman withhold that just a minute? I have two amendments to offer and the gentleman from Wisconsin has an amendment to offer.

Mr. DOUGHTON. Mr. Chairman, I modify the motion previously made. I move that all debate on this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. BOILEAU. Mr. Chairman, I have an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 2, line 9, after the word "time", insert "Provided, That none of the interest on bonds issued under the authority of this act shall be exempt from income taxes."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against the amendment. This is not a tax measure, it is not a revenue bill, and the purpose sought to

be accomplished by the amendment does not come within the scope of the measure. It is certainly not germane to the bill or to this section, and I therefore make a point of order against it.

Mr. BOILEAU. Mr. Chairman, I may state that this is simply a limitation upon the authority of the Secretary of the Treasury with respect to the issuance of the bonds, prohibiting him from putting certain provisions in the bonds that the Congress does not want put in them.

The CHAIRMAN. There is nothing in this section pertaining to tax-exempt securities.

Mr. BOILEAU. I appreciate that; but the section does provide for the issuance of bonds, and the amendment simply restricts the Secretary of the Treasury and prevents him from putting such tax-exempt provisions in the bonds.

The CHAIRMAN. There is another section of this bill that contains language with respect to what the gentleman is now discussing, namely, a provision for tax exemption.

Mr. COOPER of Tennessee. Mr. Chairman, if the Chair will indulge me, this is not a limitation but an affirmative direction.

The CHAIRMAN. The Chair sustains the point of order made by the gentleman from Tennessee.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 2, line 9, after the word "time", insert "The provisions of this act shall not be construed as a policy of the Government to issue bonds instead of currency."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against the amendment.

This is not a measure for the issuance of currency, and quite a bit of the argument advanced so far has been entirely irrelevant to this measure. The amendment is certainly not germane to this bill or to this section. There is nothing here that declares any policy or embraces within its scope any phase of the issuance of currency.

Mr. PATMAN. Mr. Chairman, the Agricultural Adjustment Act that was passed in 1933 provides that the President may issue \$3,000,000,000 in United States notes or Treasury notes. It provides further that he may issue as much as \$3,000,000,000 in money and exchange this money for existing or outstanding Government obligations. Section 1 establishes a policy of the Government with respect to issuing more tax-exempt interest-bearing bonds, and we want to make it plain that this is not a nullification of the provisions now in existing law with regard to the issuance of currency instead.

The CHAIRMAN. The section of the bill under consideration relates to bonds and not to currency. The Chair therefore sustains the point of order.

Mr. PATMAN. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 2, line 9, after the word "time", insert "Provided further, That United States notes shall be issued to the extent of \$5,000,000,000 and deposited in the general fund of the Treasury, to be used in paying the expenses and debts of the Government before another bond is issued by the Government."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against the amendment for substantially the same reasons and on the same grounds heretofore stated. This measure does not in any way relate to the issuance of currency or the issuance of notes.

Mr. PATMAN. Mr. Chairman, I should like to be heard on the point of order.

This is a limitation. Section 1 provides that bonds may be issued, and this places a limitation to the effect that these bonds cannot be issued until \$5,000,000,000 in United States notes has been issued. No one will be paying interest on the United States notes while they are outstanding, while interest will have to be paid on the bonds for every day they are outstanding.

The CHAIRMAN. The Chair sustains the point of order.

Mr. MASSINGALE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MASSINGALE: On page 1, section 1, strike out in line 8, all words after the word "authorized", all of line 9, up to the word "for" after the word "States", and insert: "For such amount only as may be equal to the outstanding bonds, but the amount required under provisions of this act in excess of the amount to refund outstanding bonds shall be raised by the issuance of Treasury notes not bearing interest by the Secretary of the Treasury."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against the amendment.

Mr. MASSINGALE. Mr. Chairman, I should like to be heard on the point of order. I presume the point of order is that it is not germane.

Mr. COOPER of Tennessee. Yes; certainly. The amendment seeks to bring something into the bill which is not within the scope of the measure at all.

The CHAIRMAN. The Chair sustains the point of order, as the amendment pertains to the issuance of currency, while the section pertains to the issuance of bonds.

The Clerk read as follows:

Sec. 2. The first sentence of subsection (a) of section 5 is amended to read as follows: "In addition to the bonds and notes authorized by sections 1, 18, and 22 of this act, as amended, the Secretary of the Treasury is authorized, subject to the limitation imposed by section 21 of this act, to borrow from time to time, on the credit of the United States, for the purposes of this act, to provide for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness or Treasury bills of the United States, and to meet public expenditures authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor (1) certificates of indebtedness of the United States at not less than par (except as provided in section 20 of this act, as amended) and at such rate or rates of interest, payable at such time or times as he may prescribe; or, (2) Treasury bills on a discount basis and payable at maturity without interest."

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. I should like to ask the chairman of the committee, does this provision apply to baby bonds?

Mr. DOUGHTON. It does not.

Mr. PATMAN. Which provision does apply to baby bonds?

Mr. DOUGHTON. Section 6.

Mr. PATMAN. Under the present law, as I understand it, only \$400,000,000 in Treasury notes may be issued legally, and this will open it up wide so long as it is within the limit of \$25,000,000,000.

Mr. SAMUEL B. HILL. The present authorization is for \$10,000,000,000 Treasury notes and \$10,000,000,000 in Treasury certificates and Treasury bills.

Mr. VINSON of Kentucky. The gentleman from Texas is right in saying that it is included in the \$25,000,000,000 limit.

Mr. PATMAN. This will open it up wide for Treasury notes.

Mr. SAMUEL B. HILL. The total is \$20,000,000,000 for Treasury notes, certificates, and bills. As it is now it is divided between Treasury notes and Treasury bills. There is an authorization for \$10,000,000,000 in notes and \$10,000,000,000 in certificates and bills. This bill proposes to put the Treasury notes and the Treasury certificates and bills in one class with a total limit of \$20,000,000,000.

Mr. PATMAN. And furthermore, as they are retired additional ones can be issued.

Mr. SAMUEL B. HILL. Yes.

Mr. PATMAN. Under existing law, if they are retired, they cannot be reissued, but this will allow 25 billion to be reissued when retired.

Mr. DOUGHTON. The gentleman is right.

Mr. PATMAN. In regard to this section, I had other amendments prepared, but I think we have tested the will of the House, and I shall not insist on my other amendments.

You would be surprised at the number of Members of the House who want to vote directly on this proposition. They tell me that they cannot vote for my amendment, because they are afraid it will interfere with the refunding operations of the Government or interfere with relief. They are mistaken, but they have been told that. I believe that they would like to nationalize credit and take over the Federal

Reserve banks, but they have various sundry reasons for voting against these amendments that are leading in that direction. I believe we have tested the sense of the House, and I believe that at least 60 percent of the Members of the House would change the present monetary system of issuing currency and bonds if they had an opportunity. [Applause.]

The Clerk read as follows:

Sec. 5. The Second Liberty Bond Act, as amended, is further amended by adding a new section, as follows:

"Sec. 21. The face amount of certificates of indebtedness and Treasury bills authorized by section 5 of this act, certificates of indebtedness authorized by section 6 of the First Liberty Bond Act, and notes authorized by section 18 of this act shall not exceed in the aggregate \$20,000,000,000 outstanding at any one time."

Mr. FISH. Mr. Chairman, I move to strike out the last word. Unfortunately I have not heard the debate upon this bill. I understand that the members of the Ways and Means Committee on the Republican side have generally approved the bill, at least are not opposing it. Ordinarily that would mean to me a certificate of righteousness, and I could well afford to follow the Members on the Republican side of that great committee. It appears to me, however, that this is a pure inflationary measure. If it were merely setting up machinery to carry out the purpose of the House to turn \$4,000,000,000 over to the President for relief purposes that would be one matter, but it apparently is an inflationary measure so that the Government can issue notes and bonds up to \$45,000,000,000. At the present time we have issued only up to twenty-eight billion. If the bill merely permitted the Government to issue up to thirty-four billion to take care of what the House proposed to do by its action yesterday, I might not vote against the bill.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. SAMUEL B. HILL. I think the gentleman is in error. The authorization at the present time under existing law is \$28,000,000,000 of bonds and a total of \$20,000,000,000 of Treasury notes and bills. This proposes to put an outside limit of \$25,000,000,000 on bonds and the same \$20,000,000,000 on notes.

Mr. FISH. That means a total of \$45,000,000 and that is what I said, but they do not have to come back to the Congress to issue these bonds and notes. You place in the hands of the Executive that power. This is an inflationary measure taking away the power from Congress to control the issuance of bonds and certificates.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FISH. I am sorry, I have only 5 minutes. I may be the only Member of the House who is going to vote against it, but I propose to vote against it because it takes that power away from the Congress and gives it to the Executive to issue these bonds and notes, about thirteen billion more than they have the right to issue at the present time.

What I also want to point out in these few minutes is this: The administration talks about the credit of the United States and how sound it is. As I told you the other day, it will remain sound just as long as you can issue Treasury notes totally tax exempt, so that the banks, the big corporation, the big interests, and wealthy men of America can buy these Treasury notes and escape taxation. It is a perfectly apparent proposition and creates a vicious circle. The credit of the United States will be good just as long as we throw away that power of taxation affecting the wealthy people and let them come in and buy these notes and bonds, principally the notes that are wholly tax exempt, and so escape paying 60 percent on the higher incomes and not pay any income taxes by merely buying the bonds and notes.

The only policy of the Democratic Party today—and I want the people to understand it—the only one we know about, is borrowing, more borrowing, and still more borrowing. That is the only policy that has been presented to Congress. This bill will not help restore confidence in America; it will not help to restore confidence in industry, commerce, or trade, or among business men, small or large. This bill

carries out the main policy of the Democratic Party to borrow more billions, still more billions, and yet more billions of American dollars without making any provision to raise revenue or levy taxes.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. McCORMACK. Mr. Chairman, it is not my purpose to answer the remarks of the gentleman from New York [Mr. Fish], whom I personally respect, but who has shown himself to be possessed of what might be considered as a partisan mind in his discussion of certain features of this bill. I am frank in stating that there are occasions when I am possessed of a partisan mind, but there are some limits to it. I am not going to close my eyes to the truth and take the floor of this House and undertake to say that a bill intends something that a plain and simple reading of the bill shows it does not contemplate. My friend from New York [Mr. Fish] is a keen gentleman. He is able. If he has read the bill, he knows that the bill does not mean that the President of the United States or the Secretary of the Treasury can borrow ten or fifteen billion dollars more by merely issuing bonds, notes, and Treasury certificates. There is a \$20,000,000,000 maximum now on notes and Treasury certificates; and this bill does not change that maximum. It merges both of them into one group with the same limitation as to amount. Under existing law there is a \$28,000,000,000 maximum on bonds, and the bill provides for a \$25,000,000,000 maximum. The maximum of all at the present time is \$48,000,000,000. This bill makes the maximum of all \$45,000,000,000. Nobody can issue bonds or Treasury notes or certificates at will. There must be authority in law for the Secretary to issue additional bonds and notes increasing our outstanding debt. There must be legislation passed by the Congress authorizing the issuance. The broad question of the advisability of borrowing on notes and bonds I shall not discuss at this time, as it is not relevant to this bill. When my friend from New York makes a statement that the bill gives blanket authority for the promiscuous issuance of bonds without authority of law, he is incorrect; and I cannot permit such remarks to be incorporated in the Record and go out to the country as another scarecrow of a condition that does not exist.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RANKIN. Mr. Chairman, I have just listened to the self-appointed spokesman of the Republican Party, the gentleman from New York [Mr. Fish] on this all-important question of tax-exempt securities. He admits that under our present system the great bulk of the wealth of this country is permitted to find a storm cellar in tax-exempt securities and thereby escape its part of the burdens of taxation, but he studiously avoids suggesting the logical remedy.

We find ourselves today in the midst of a paradoxical depression that is without a parallel in all history. We live in the richest country in all the world. With a gentle climate, a fertile soil, and an abundant rainfall, we produce every agricultural commodity necessary for the maintenance of mankind. Our natural resources are unlimited, and the inventive genius of America has given to us a control over the forces of nature never before attained in all the history of the human race.

We have more wheat, more corn, more hogs, more cotton—in fact, more of all agricultural commodities, as well as manufactured products—than the American people can use. We have been destroying livestock, reducing grain production, and plowing under cotton, as well as curtailing the production of manufactured articles, and yet millions of our people are hungry and other millions are insufficiently clothed.

Bread lines are lining the streets of our principal cities, while farmers are having their homes sold from under them for debts or confiscated for taxes. Practically every individual who owns a home, or who tries to own a home, is burdened with debts and taxes that he finds himself unable to pay. Practically every county, every municipality, every school district, every drainage district, every road district, every State, and even the Federal Government itself, is bur-

dened with debts and bonded with obligations that it seems almost impossible to pay. And yet we scarcely owe a single dollar beyond the confines of the United States. But, on the other hand, billions of dollars are owed to our country by other nations and other billions are owed by foreign countries and foreign individuals to private individuals and private enterprises in America.

What is the trouble? Why all this financial distress in the richest land in all the world, practically the only country that does not owe any debts beyond its own borders?

It is maldistribution of wealth. We are cursed with a system of economic feudalism that has overawed, browbeaten, or controlled by insidious methods or continuous pressure the forces of democracy and so dominated the legislative program of this country during the last 60 years that it has concentrated the wealth of this Nation into the hands of a few families.

We are told that less than 10 percent of our population now own more than 90 percent of our wealth. They are pyramiding their fortunes and passing them on down from generation to generation, even increasing them by the natural accretion of interest accumulations, while the rest of the 120,000,000 Americans are literally grinding their lives out to even meet the interest they have to pay.

They began by accumulating vast fortunes out of the Civil War. They accumulated more through a high protective tariff, which levied tribute upon every human being in America. Through this method they sapped the economic vitality of the agricultural States, using the powers of government through Federal pensions and political patronage to hold enough of those States in line to guarantee them supreme control.

More fortunes were accumulated and therefore more wealth concentrated through a manipulation of public utilities, gambling on the stock market, overcapitalization, sale of watered stocks, and exorbitant service charges that the people were compelled to pay. They even manipulated the currency by expanding through the Federal Reserve System and contracting in the same way—raising prices for a period until people adjusted themselves to higher price levels, incurred debts, fixed their tax rates, and floated bonds for necessary improvements—then contracted that currency, drove down prices, and are now demanding that those debts be paid with inflated dollars and on deflated commodity prices.

The people have about reached the limit of their endurance. They know there is something wrong with our present system, and they are beginning to realize what it is. They are demanding and are going to continue to demand that there be a redistribution of the wealth of this country in some way. That can be done in two ways: Either by taxation or through a disastrous revolution. A revolution would not redistribute wealth, but would only destroy it, and probably destroy our civilization as well.

There is a sane and orderly way to meet this question, and that is to place the burden of taxation where it belongs—on the ones most able to pay.

If you will let me write one section of the tax bill, I will balance the Budget, pay a reasonable old-age pension, pay off the soldiers' adjusted-service certificates, and pay off the national debt in 25 years. I would place the same burden of taxes on the rich and opulent in proportion to their wealth that we are now placing upon the poor.

Today, the man most heavily burdened with taxes is the farmer and the home owner, whose entire profits and invariably the equity in whose property is taken to pay his local taxes.

The reports of the Bureau of Internal Revenue show that in 1921 there were 21 individuals in the United States with incomes of \$1,000,000 a year. That was the year the Republican Party took control. By 1929 there were 513 individuals with incomes of \$1,000,000 a year. In 1921 there were 444,000 individuals reporting incomes of \$1,000 or less, and in 1928 that number had dwindled to 114,000. The ones making \$1,000 or less had dropped off 75 percent, while the ones in the million-dollar class had multiplied 25 times. There has

never been such a concentration of wealth since the world began. The rich grew richer and the poor, poorer.

Today, as I said, less than 10 percent of our people own more than 90 percent of our wealth. There is only one way to reach them, and that is through inheritance taxes, since many of them have their fortunes invested in tax-exempt securities and cannot be reached in any other way.

But men who represent that element in Congress are urging us to prohibit the further issuance of tax-exempt securities. That is the plan of the gentleman from New York [Mr. Fish]. However desirable that may be, it would not reach the ones whose wealth is now invested in tax-exempt securities, but, on the other hand, it would raise the values of those outstanding securities and increase the wealth of the ones who hold them.

But these gentlemen who have always represented the predatory interests of the country, and who now vociferously proclaim their desire to prevent the further issuance of tax-exempt securities, scrupulously refrain from advocating the real remedy, and that is the raising of inheritance taxes and making the ones who own these securities now bear their part of the burdens of government.

Our inheritance taxes are ridiculous. They are infinitesimal compared with the taxes which the average American has to bear.

Just before the passage of the last tax bill I secured copies of the inheritance-tax rates for both France and Great Britain and compared them with the inheritance-tax rates in the United States at that time. I am going to insert a table containing the tax rates of the United States, Great Britain, and France in the RECORD at this point, so that the Members of the House and others who read the RECORD may make their own comparisons.

There have been a few changes in these rates, but this table shows the correct rates as they existed at the time these figures were compiled.

The table is as follows:

Net estate before exemption	Tax in United States	Tax in Great Britain	Tax in France
\$1,000.....		\$10	\$65.88
\$5,000.....		150	539.27
\$10,000.....		300	1,296.47
\$15,000.....		450	2,226.47
\$25,000.....		1,000	6,942.58
\$50,000.....		2,500	16,160.98
\$100,000.....	\$1,500	9,000	36,997.78
\$150,000.....	5,000	18,000	59,197.78
\$200,000.....	9,500	28,000	81,589.78
\$300,000.....	19,500	51,000	130,789.78
\$400,000.....	30,500	76,000	180,373.78
\$500,000.....	42,500	105,000	234,373.78
\$600,000.....	55,500	138,000	288,373.78
\$800,000.....	84,500	200,000	396,373.78
\$1,000,000.....	117,500	270,000	504,373.78
\$2,000,000.....	315,500	660,000	1,046,293.78
\$3,000,000.....	553,500	1,110,000	1,634,293.78
\$5,000,000.....	1,149,500	2,050,000	2,823,253.78
\$10,000,000.....	3,094,500	5,100,000	5,823,253.78

You will note from this table that if a man died in the United States and left an estate of \$100,000, his estate would pay a tax of \$1,500. In England it would pay \$9,000; and in France, \$36,997.78.

In this country an estate of \$500,000 would pay an inheritance tax of \$42,500; in England, \$105,000; and in France, \$234,373.78.

In this country an estate of \$1,000,000 would pay \$117,500; in England it would pay \$270,000; and in France, \$504,373.78.

Men talk about taxing the profits of the next war. I want to adequately tax the profits of the last war. Then there will not be any next war, at least in your day and mine.

The people of large fortunes, as a rule, are the ones who invest their money in tax-exempt securities. They are the ones who seek and find that storm cellar. They are the ones who made fortunes out of the war, coining their millions out of the blood and tears of the suffering men, women, and children of the world. They are the ones who made their millions out of the tariff by levying tribute upon every farmer and every laborer; in fact, on every man, woman, and child under the flag. They are the ones that we must reach if we ever

expect to balance the Budget and meet the responsibilities of this Government and redistribute the wealth of the Nation, so as to give the rising generation a chance in this world. [Applause.]

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

There is so much being said about tax-exempt securities that I hope we get our definitions straight.

Many of us are opposed to tax-exempt securities, I repeat, for an entirely different reason than the reason which the gentleman from New York [Mr. Fish] is opposed to tax-exempt securities. If I thought our monetary system would not be changed at the same time, I think the best interests of this country would probably be served by allowing it to remain as it is, and I will tell you the reason for it. Personal property is taxed where it is located. A United States Government bond or a Government note or certificate is personal property, and when that note or bond is purchased from the Government and deposited in New York City or Pittsburgh, Pa., or Chicago, Ill., that is where it is taxed. Gentlemen like the gentleman from New York [Mr. Fish], representing a great district in New York, can tell his banker friends there, "I am in favor of eliminating the issuance of further tax-exempt securities because the Government will have to pay an additional interest rate to you, and that will enable you to pay the tax, and when you pay the tax it will go to the city of New York, it will go to the different counties of New York, the road districts and school districts, and other political subdivisions." In other words, the people all over the Nation would be paying an additional tax rate in order to support the larger cities in this country where those bonds are actually physically located and where they will be taxed.

The reason I do not want any more tax-exempt securities is because I want to issue currency instead of bonds. We have \$41,000,000,000 in deposits in the banks. We have less than \$1,000,000,000 in money in the banks to pay those depositors.

I feel that it should be made up in Government credit in some way, if not in actual physical money in that which is the same as actual physical money upon which no one will be paying interest while it is outstanding. There is the difference between us; and do not go off now on the theory that we should change the tax-exempt interest-bearing bonds without first considering who is going to get it and who is going to pay it. Will your district, a country district, get anything out of it? Not a thing in the world; but the people in that district will have to pay the additional taxes which will be necessary to pay more interest in order to pay the rate of interest required by the New York banks so they can pay their local taxes. With proper safeguards I am opposed to the issuance of more tax-exempt interest-bearing bonds if our present bond system continues. However, I much prefer currency to all bonds.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CHURCH. In what States do they assess Government bonds?

Mr. PATMAN. They do not assess them at all.

Mr. CHURCH. What State laws assess Government bonds?

Mr. PATMAN. That is what we are talking about. They cannot be assessed. But if you remove the limitation the States will remove the limitation and tax them for all State and local purposes; certainly they will.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CONNERY. In connection with the remarks of the gentleman from Mississippi on the question of the inheritance tax, I should like to ask the gentleman from Texas if it is not a fact that under our present inheritance and gift taxes, attorneys have found a way by putting money in trust a couple of years before a man dies and the beneficiary escapes the inheritance and gift taxes?

Mr. PATMAN. That is my understanding. The gentleman from Washington [Mr. Hull], I understand, is chairman of a subcommittee that has been investigating loop-

holes in our tax laws; and I have been told that some shocking disclosures have been made along the line suggested by the gentleman from Massachusetts.

The Clerk read as follows:

SEC. 6. The Second Liberty Bond Act, as amended, is further amended by adding a new section, as follows:

"SEC. 22. (a) The Secretary of the Treasury, with the approval of the President, is authorized to issue, from time to time, through the Postal Service or otherwise, bonds of the United States to be known as 'United States Savings Bonds.' The proceeds of the savings bonds shall be available to meet any public expenditures authorized by law and to retire any outstanding obligations of the United States bearing interest or issued on a discount basis. The various issues and series of the savings bonds shall be in such forms, shall be offered in such amounts within the limits of section 1 of this act, as amended, and shall be issued in such manner and subject to such terms and conditions consistent with paragraphs B and C hereof, and including any restriction on their transfer, as the Secretary of the Treasury may from time to time prescribe.

"(b) Each savings bond shall be issued on a discount basis to mature not less than 10 nor more than 20 years from the date as of which the bond is issued, and provision may be made for redemption before maturity upon such terms and conditions as the Secretary of the Treasury may prescribe: *Provided*, That the issue price of savings bonds and the terms upon which they may be redeemed prior to maturity shall be such as to afford an investment yield not in excess of 3 percent per annum, compounded semiannually. The denominations of savings bonds shall be in terms of their maturity value and shall not be less than \$25. It shall not be lawful for any one person at any one time to hold savings bonds issued during any one calendar year in an aggregate amount exceeding \$10,000 (maturity value).

"(c) The provisions of section 7 of this act, as amended (relating to the exceptions from taxation both as to principal and as to interest of bonds issued under authority of sec. 1 of this act, as amended), shall apply as well to the savings bonds; and, for the purposes of determining taxes and tax exemptions, the increment in value represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest. The savings bonds shall not bear the circulation privilege.

"(d) The appropriation for expenses provided by section 10 of this act and extended by the act of June 16, 1921 (U. S. C., title 31, sec. 761), shall be available for all necessary expenses under this section; and the Secretary of the Treasury is authorized to advance, from time to time, to the Postmaster General from such appropriation such sums as are shown to be required for the expenses of the Post Office Department, in connection with the handling of the bonds issued under this section.

"(e) The board of trustees of the Postal Savings System is authorized to permit, subject to such regulations as it may from time to time prescribe, the withdrawal of deposits on less than 60 days' notice for the purpose of acquiring savings bonds which may be offered by the Secretary of the Treasury; and in such cases to make payment of interest to the date of withdrawal whether or not a regular interest-payment date. No further original issue of bonds authorized by section 10 of the act approved June 25, 1910 (U. S. C., title 39, sec. 760), shall be made after July 1, 1935.

"(f) At the request of the Secretary of the Treasury the Postmaster General, under such regulations as he may prescribe, shall require the employees of the Post Office Department and of the Postal Service to perform, without extra compensation, such fiscal agency services as may be desirable and practicable in connection with the issue, delivery, safe-keeping, redemption, and payment of the savings bonds."

Committee amendment: Page 5, line 7, strike out the words "paragraphs B and C" and insert in lieu thereof "subsections (b) and (c)."

Mr. SAMUEL B. HILL. Mr. Chairman, I call attention to the fact that this amendment and the other committee amendments are simply clerical corrections.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 6, line 2, strike out in the parentheses the word "exceptions" and insert in lieu thereof the word "exemptions."

Mr. PATMAN. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, during the war Liberty bonds were sold on the installment plan. People all over the country bought these bonds as a patriotic duty. They were told they were sending their money to war instead of going themselves. When the war was over the Liberty bonds that had been sold to the public were not supported by the financial interests of the country and the bonds dropped in value to 95, 90, 87, and even down to 85. The large banks of the country sent agents all over this Nation and purchased those bonds for as low as

85 cents on the dollar. Then the bonds rose in value because they had got into what is known as "strong hands." When they got into strong hands they went back to 100 cents on the dollar.

The veterans, the soldiers in the Army, were told not only that they should pay for their insurances and for other charges against them during the war but after making all these deductions for dependents, for insurance, and these other charges they were told if they had any money that it was their duty to purchase a Liberty bond; and if they did not, there was considerable pressure brought to bear against them. They were referred to as slackers, despite the fact they wore the uniform of their country. They purchased these bonds on the installment plan. They had to take their loss just like the other people and sell their bonds for 85 cents, and in some cases for less than that, on the dollar.

Now, remember this: You are designating a certain bond issue here. This bond issue is going to be widely distributed. No one person can own more than \$10,000 of the issue. If these bonds are not supported by strong financial interests, who is going to keep the price up?

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SAMUEL B. HILL. We have the Postal Savings bonds and the bonds here provided for are practically the same.

Mr. PATMAN. No; I beg to differ with the gentleman from Washington. You can get your money 100 cents on the dollar on the Postal Savings bond. There is considerable difference between those bonds and the bonds provided for in this bill.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. VINSON of Kentucky. The United States Government is obligated to pay interest compounded semiannually not in excess of 3 percent on the Postal Savings bonds. The Government is required to redeem them at par.

Mr. PATMAN. This does not require that; there is no such requirement here.

Mr. VINSON of Kentucky. Yes; it does require it.

Mr. PATMAN. Where is it?

Mr. VINSON of Kentucky. The Treasury will redeem them.

Mr. PATMAN. This bill, I say, does not require the Secretary of the Treasury to do it. There is no language in here requiring that; it is merely permitted if the Secretary of the Treasury desires to so redeem them.

Mr. VINSON of Kentucky. The gentleman from Texas is in error on that.

Mr. PATMAN. Oh, no. These people are being placed in the position where they will not have these bonds supported by strong hands, by strong financial interests. There will be every incentive for certain interests to whip down and beat down the prices of these bonds, buy them up, and run the price back. The only redeeming feature is that one person cannot buy more than \$10,000 of bonds issued in one single year.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DOUGHTON. The gentleman from Texas in his remarks stated that in connection with the sale of Liberty Bonds pressure was brought to bear on people to buy them. I understand the Secretary of the Treasury now has not and does not expect to request anyone to put any pressure on anyone else to purchase these bonds.

Mr. PATMAN. May I say to the gentleman that I am in sympathy with the distribution of small bonds. I am not talking against that feature, but I want proper safeguards put around the law to protect the people who do invest their money in them.

During the last administration of the Honorable Ogden Mills as Secretary of the Treasury he authorized the issuance of baby bonds, but all of the New York banks objected, and they were withdrawn. Now, you are coming back and doing in a way what he withdrew, which is all right if you

properly protect the people. There is something else in there that is hazardous for the investor. All of the banks purchasing other bonds, including the Federal Reserve banks, may deposit the bonds with the Government and receive new money in return. They cannot do that with these bonds.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, these bonds then will not be as much in demand. They are not so good unless properly safeguarded either by law or by regulations. In connection with all other issues you may use them to better advantage. You say to the bank on all other issues, "You are a favored son of our Government. We will let you take \$10,000 worth of the bonds and deposit them with the Government and get \$10,000 in money in return." Of course, I refer to a Federal Reserve bank. There is no tax, only the payment of 27 cents per \$1,000 for the cost of printing the money.

Any national bank in this Nation can buy all other bonds that pay up to 3½-percent interest, and there are a few outside of that, and none very soon, and they may deposit those bonds up to the amount of the capital stock of the institution and receive new money in return. But in connection with these particular bonds you are putting a penalty on the holders because they are not as good as the other bonds. There will not be the demand there would be for the other bonds, and they will not be supported by the financial interests.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. Upon what does the gentleman from Texas base the statement that these bonds will depreciate in value in the market?

Mr. PATMAN. I base it upon the fact that in connection with bonds which are generally held by the people and not supported by the strong financial interests, there is an inducement for those particular issues of bonds to be whipped and beat down in value by the strong financial interests, and when the value of the bonds go down they are bought up as much as possible.

Mr. SAMUEL B. HILL. On page 6, line 9, of the bill, there is this provision:

The saving bonds shall not bear the circulation privilege.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I offer a preferential motion, which I send to the desk.

The Clerk read as follows:

Mr. BOILEAU moves that the Committee rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. BOILEAU. Mr. Chairman, I made two unsuccessful attempts to offer an amendment that would discontinue the practice of issuing tax-exempt securities. I find no fault with the ruling of the Chair on the question of germaneness to the bill and to the sections to which I offered the two amendments. I do want to say, however, that we have heard much in the last 4 years about tax-exempt securities, and it seems to me it is about time the Ways and Means Committee or some other committee of this House bring in a bill which will prohibit the practice of issuing tax-exempt securities and permit us to vote on the question.

In discussing a point of order a short time ago the distinguished gentleman from Kentucky suggested that there was in this bill a place where such an amendment would be germane; that there was a place in the bill where an amendment could be offered restricting the issuance of tax-exempt securities. I understood him to make that statement, and we had

considerable colloquy with reference to that matter. I am going to admit that he was absolutely accurate.

Mr. VINSON of Kentucky. May I say to the gentleman that he does me too much honor. It was the chairman who made the statement.

Mr. BOILEAU. The gentleman from Kentucky suggested that I might read the bill. May I say to the distinguished gentleman that I have read the bill, and I find at the top of page 6, paragraph (c), where such an amendment would be germane. In other words, it would be germane to knock out the tax-exempt feature of the baby bonds but not the big bonds. The bill is in such shape that we could knock out the tax-exempt feature of the small bonds which will be sold to the small fellow, the one who will buy a \$25 or \$50 bond, but there is no provision which will enable us to offer an amendment striking out the tax-exempt feature of the big bonds and the big bondholders.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. May I say to the gentleman that many Members share views similar to the gentleman.

Mr. BOILEAU. I appreciate that fact and I am wondering why. In all the 4 years I have served here we have heard speech after speech denouncing the policy of issuing tax-exempt bonds, but we cannot get the matter before the House.

Mr. COOPER of Tennessee. Was the gentleman present when that question was raised in general debate on this bill?

Mr. BOILEAU. I was.

Mr. COOPER of Tennessee. And when it was pointed out to another gentleman raising the question, that several measures of that type are now pending before the Committee on Ways and Means.

Mr. BOILEAU. Yes; and the gentleman said that twice before the Ways and Means Committee had reported out such bills.

Mr. COOPER of Tennessee. Yes.

Mr. BOILEAU. Then why can we not get a vote in this House on such a measure and record the opinion of the Members on that question? I am satisfied that if some such measure were presented to this House it would pass on a roll-call vote two to one. I believe there is a very strong sentiment in favor of that change of policy.

I believe it is about time that the leadership of this House should be fair with a vast majority of the Members who want such legislation reported out and action taken at the earliest possible date.

I regret very much that in this bill the only opportunity that is afforded to strike out the tax-exemption feature of these Government securities is with reference to these baby bonds. For one I should like to have a chance to stop this practice with reference to the big bonds and the bondholders who hold more than \$10,000 worth of Government securities that are now tax exempt. [Applause.]

[Here the gavel fell.]

Mr. DIES. Mr. Chairman, I rise in opposition to the motion to strike out the enacting clause.

Mr. Chairman, a great deal has been said in reference to baby bonds. If we are going to issue bonds and if we are committed to the course of defraying the expenditures of the Government by the issuance of bonds, it is preferable to issue bonds in small denominations so as to give the rank and file of the American people an opportunity to buy the bonds and in this manner obtain some benefit from the tax-exempt phases of it, rather than to continue to issue bonds in large denominations.

I think it is sometimes forgotten that the reason that tax-exempt bonds are bought is because when you increase your income tax and when the tax burden becomes heavy, those possessing vast capital and large means resort to the purchase of tax-exempt bonds in order to escape the obligations of government.

During normal times when the income tax is not high and when the other burdens of government are not great, it is usually estimated that the Government, by using the tax-

exempt feature of Government bonds, is able to obtain the use of money at a lower rate of interest, but it should not be forgotten that the manner in which we are floating bonds in the United States is not by taking from the American people a given amount of purchasing power and transferring that purchasing power to the Government. The operation that we usually pursue is to enable banks, by a bookkeeping transaction, to artificially create a purchasing power of, say \$4,000,000,000, and enable those banks or those interests who are financing the bonds to escape taxation. The inducement for them to buy the bonds is great, on account of the high tax rate or the increasing income tax.

By confining the issue to small bonds, the rank and file can purchase bonds and they are relieved to that extent of the burdens of taxation. But, Mr. Chairman, we might as well recognize the fact that we cannot continue the issuance of these bonds. To merely increase income taxes in an effort to make those of large means bear their proportionate share of the burdens of this depression is nullified by our action in issuing tax-exempt bonds. We are transferring the burden of this entire economic crisis to the people who are least able to bear the burden, and not only this, but we are promoting inflation, because we are not taking purchasing power away from people who now have it and transferring it to the Government, but, by a process of bookkeeping, we are artificially creating a purchasing power that is abnormal and in the course of time will create the very inflation that gentlemen who oppose currency inflation are always crying against, with the inevitable, subsequent deflation. The consequence is that those who cry aloud against currency inflation, by their votes in Congress, are voting for a different type of inflation, it is true. They are voting for an inflation that inures to the benefit of a privileged few, an inflation that enables those of vast means to reap the benefit of the inflation in the form of tax exemption.

The point I want to make specifically, however, is this. It is a virtue in this bill that it provides for financing these operations by making it possible for men of small means or moderate means to participate in the tax exemption, for in doing so, you relieve the masses of the people to that extent of the burdens of taxation.

It is amusing to me to hear gentlemen cry aloud that it would be inflationary to issue currency backed up by adequate reserves. Why, bank notes have been issued in this country, or were issued prior to the Federal Reserve Act. We permitted the banks to issue their bank notes and in doing so they borrowed the capital of people without paying any interest on it. A bank note was the act of a bank in obtaining the benefit of the savings of other people without paying interest. I am not advocating fiat money. I merely propose that we utilize the excess gold valuation to lighten the crushing burden of public indebtedness.

Mr. SAMUEL B. HILL. Mr. Chairman, I ask for a vote on the motion of the gentleman from Wisconsin [Mr. BOILEAU] to strike out the enacting clause.

The question was taken, and the motion was rejected.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 6, line 13, strike out "sec." and insert "secs. 760 and".

The committee amendment was agreed to.

Mr. LORD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, line 16, after the word "they", strike out the word "may" and insert the word "shall", and in line 19 strike out the period after word "semiannually" and insert "and at face value."

Mr. LORD. Mr. Chairman, this section provides for the payment of the small bonds before maturity. I want to provide in this section that when these bonds are paid before maturity they shall be paid at cost value, or, in other words, what the purchaser paid for them. The bonds

will be purchased by poor people; they are very small bonds, to run for 10 to 20 years. The purchaser may encounter hard times and need the money. There is a provision that they can cash the bond before maturity. These bonds will be sold or traded in for motor cars, clothing, and so forth, and the purchaser will sell them on the market at a discount—no telling at what price. The price will go down on the market and poor people may have to sell their holdings at much less than they paid for them unless they are protected. I think this amendment ought to be adopted to allow them to return the bond to the Post Office and get cost for them, plus accrued interest.

Mr. COOPER of Tennessee. Let us see if we understand the gentleman. These bonds are to be sold at certain prices, and when they mature they are worth the face value of the bonds. The gentleman understands that.

Mr. LORD. I do.

Mr. COOPER of Tennessee. The gentleman does not mean to advance the proposition here that a man may buy a bond and the next week or the next day go back and get the full value of the bond?

Mr. LORD. He should get exactly what he paid for it.

Mr. COOPER of Tennessee. He purchased the bond with the understanding that it would be worth its face value at a certain time. If the gentleman seeks to provide that he may secure the face value before the time agreed upon, he is getting something that he did not pay for.

Mr. LORD. No; he should not get the face of the bond but he should get what he paid for the bond.

Mr. COOPER of Tennessee. But the gentleman's amendment does not provide for that. It provides that he shall get something that he did not pay for.

Mr. LORD. He should get his money back, what he paid for it, plus interest accrued.

Mr. VINSON of Kentucky. The face value of the bond would be much larger than the redemption price a short time after the purchase.

Mr. JENKINS of Ohio. Why does not the gentleman use a concrete example such as was given before the committee? For instance, a man buys a bond for \$78, and if he keeps that bond until it matures, he will get \$100 for it, or, if he keeps it half the time, he will get half the price between \$78 and \$100.

Mr. VINSON of Kentucky. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read. The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 6, line 25, after the word "Treasury", insert the following: "Provided, That with respect to time deposits a similar privilege shall be extended to all banks and banking institutions which operate under the supervision and control of the Secretary of the Treasury."

Mr. DIRKSEN. Mr. Chairman, if I can have the attention of the members of the committee for just a moment and state a hypothetical case, I think that they will agree with the substance of this amendment. Let us take the case of John Jones, who tomorrow deposits \$500 in a bank and \$500 in the Postal Savings System. Under the old law governing Postal Savings, he cannot withdraw the money until after 60 days. He, however, will have privilege by the terms of the proposal in this bill. Under the operations of the banking laws under which almost every State bank and member of the Federal Reserve System now operates, if he puts \$500 in the bank on time deposit, he cannot under any circumstances get his money until the end of that deposit period. He may even waive the interest, but he cannot get his money. I had a number of such instances, and took it up with the Federal Deposit Insurance Corporation, and I believe that, upon the advice of their general counsel, they are seeking to change that condition so as to eliminate the disparity between the little country banks and the Postal Savings institutions that you find in almost every country post office. So far as the average purchaser of these small bonds is concerned, here is the way it would operate: If he had \$500 in the Postal Sav-

ings, under the terms of the bill, he could withdraw it and buy these bonds. If he had another \$500 on time deposit, he would have to leave it there for 90 days, or for whatever the time period might be, before he could buy one of these bonds, if he so desired.

Let me read this language from the bill:

The Board of Trustees of the Postal Savings System is authorized to permit, subject to such regulations as it may from time to time prescribe, the withdrawal of deposits on less than 60 days' notice, etc.

Deposits in what? In the Postal Savings System. So that John Jones can take his money out of the Postal Savings System and buy these bonds, but he cannot take his money out of the bank if it is there on a time deposit and buy the same bond.

Mr. VINSON of Kentucky. Mr. Chairman, I believe the gentleman from Tennessee was referring to the fact that no further issues of Postal Savings bonds would be had.

Mr. COOPER of Tennessee. That is what I had in mind. I misunderstood the gentleman's purpose.

Mr. DIRKSEN. This amendment goes to the substance of paragraph (e).

It is my observation that there has been too little coordination between the Treasury Department and the Postal Savings System, with the result that too often regulations and rules are promulgated which operate as a penalty on the small banking institutions of the country and create decided advantages in behalf of such Government institutions as Postal Savings. This is decidedly unfair. I hold no brief for banks or bankers as such, but I do believe they are entitled to fair and equitable treatment.

Just now virtually every bank in the Nation, whether a State bank or a member of the Federal Reserve System, operates under the provisions of Regulation Q of the Federal Reserve System. This regulation closely governs time deposits and says to a bank that it can under no circumstances relinquish a time deposit until after the expiration of the time period. When folks undertake to deposit money in a bank on a time certificate and find they cannot withdraw their money at will, they at once rush to the post office and place it with Uncle Sam. The bank not only loses a customer but it creates in the mind of the people in communities everywhere the notion that bankers are imposing regulations and rules relative to deposit and withdrawal that imbreed suspicion in the minds of the people. This is entirely unfair. Moreover, it is unfair for Uncle Sam to set up a competing business and by law and authority resolve advantages in behalf of such agencies as Postal Savings. What is fair for one should be fair for the other. No question of safety is involved. Under the Federal deposit insurance regulations money is equally safe in banks as in Postal Savings, and I submit that if rules and regulations now obtaining are in anyway modified or altered, so far as Postal Savings are concerned, banks and banking institutions are fully entitled to the same benefits. Therefore, Mr. Chairman, I press upon the committee the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. PATMAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 5, line 19, after the word "semiannually", insert a comma and the following: "And shall be redeemed by the Secretary of the Treasury at par or purchase price and accrued interest, after 90 days' written notice to the Secretary of the Treasury of the holder's intentions."

Mr. PATMAN. Mr. Chairman, this will not cause the Government any trouble or inconvenience. At the same time it will keep these bonds at par value. The Secretary of the Treasury will receive 90 days' written notice before he will have to take up one of them.

Mr. DOUGHTON. Does the gentleman expect the bond to be at par value when the interest has been calculated on the face value of the bond?

Mr. PATMAN. That is a matter of definition.

Under this bill the Secretary may issue bonds at par value or he may discount them, whichever way he wants. Anyone who holds one of these bonds, if he pays \$80 for it on a discount basis, should be allowed to give written notice for 90 days to the Secretary of the Treasury, and receive that \$80 back, with the accrued interest, and not 100 percent face value.

Mr. DOUGHTON. Why not make it payable to start with? Mr. PATMAN. Oh, no.

Mr. DOUGHTON. It would be just the same thing exactly.

Mr. PATMAN. Oh, no, it would not. You see, people will put their money into these bonds, and we want to protect the people. We want to assure them that they are not going down below the value they should be.

Mr. DOUGHTON. Suppose they go above?

Mr. PATMAN. That is all right; let them get the benefit of it, just as all Liberty bonds are above par now. The gentleman is not objecting to the banks collecting that increase now. There is no objection to that. If he is entitled to a premium on it, let him have it. The Government will not have to pay the premium, but protects him from having it go down, because they will be so generally distributed all over this Nation that if they are not properly protected by strong financial interests there is every incentive to beat down the price.

Now, the Government issues 90-day notes all the time, and they are all right. This will have the same effect, except that they will not have to go through that same procedure every 90 days. They will remain outstanding until the holder gives 90 days' written notice. It will be a great convenience to the Treasury. It will protect the people who buy these bonds in small quantities, and it will not cost the Government a penny extra.

I think the chairman of this committee should agree to this amendment, because it protects the investor. You are going out to the little fellows over the country. They are unorganized. They have no big interests to look after them. They have no lawyers and they have no lobbyists down here looking after their interests. They are unorganized and unprotected. Therefore, it is our duty as Members of Congress, representing those people, to place the proper safeguards around their interests. That is what we are doing, and at the same time it will not be an inconvenience in any way to the Treasury of the United States, because 90 days' written notice is required. These will be good bonds. They will remain outstanding until maturity, but this will be protecting the people. I think the members of this committee should agree to the amendment. Let us protect the rights of the people on these bonds.

Mr. SAMUEL B. HILL. If you make these 90-day bonds, does the gentleman think the Government will pay as high a rate of interest as if you make them 10-year bonds, as provided in the bill, and if the bonds bear a lower rate of interest, because of the short term, will it not be a less attractive investment to the small investor, who may want to sell it to someone else?

Mr. PATMAN. That does not answer the objection I have, that the general public, unorganized and unprotected, should have their rights safeguarded. That is all I am asking.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COOPER of Tennessee. I know the gentleman will agree that we all want to accomplish the purpose he has in mind, but I want to point out one distinction, that these are not considered in the strict sense investment bonds. They are savings bonds. The whole plan is based upon the idea that the people will put their money in these bonds as a savings proposition.

Mr. PATMAN. I thoroughly agree with the gentleman.

Mr. COOPER of Tennessee. There can be no doubt that this Government of ours will certainly give every man his money when he is entitled to it.

Mr. PATMAN. Knowing the gentleman from Tennessee as I do, I am sure he is willing to protect the interests of the

people. That is all I am trying to do. I hope the gentleman will vote to adopt the amendment.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. SAMUEL B. HILL. Mr. Chairman, I ask that the amendment offered by the gentleman from Texas [Mr. PATMAN] be voted down. It is not in harmony with the provisions and purpose of the bill. This bill proposes 10-year bonds; and if we make a 90-day proposition out of it, we will simply take out from under this particular kind of bond the proposal that the Treasury has in providing this savings fund for the investor, and also helping to raise the necessary revenues for carrying on the emergency operations of the Government.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. JENKINS of Ohio. I take it that the provision after the word "provided" is much more favorable to the investor than the provision offered by the gentleman from Texas [Mr. PATMAN], because that says "any time."

Mr. SAMUEL B. HILL. Yes; when the Treasury wants to redeem, it pays all the money paid plus all accrued interest.

Mr. PATMAN. But will the gentleman yield there?

Mr. SAMUEL B. HILL. I yield.

Mr. PATMAN. That is up to the Secretary of the Treasury. That is not mandatory.

Mr. SAMUEL B. HILL. I ask that the amendment offered by the gentleman from Texas be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The amendment was rejected.

Mr. KENNEY. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. KENNEY: On page 7, lines 2 to 5, strike out "no further original issue of bonds authorized by section 10 of the act approved June 25, 1910 (U. S. C., title 39, sec. 760), shall be made after July 1, 1935."

Mr. KENNEY. Mr. Chairman, I have been trying to get information from the committee, but the gentleman from Washington [Mr. HILL] declined a moment ago to yield. What I am trying to get at is this: We are now about to issue these savings bonds. At the present time the Post Office Department sells bonds or 90-day certificates upon which interest at  $2\frac{1}{2}$  or 3 percent is paid and which are redeemable at any time at par or face value. I should like to know whether with the issuance of these bonds that practice is going to be discontinued. Today a man may put his savings in the Postal Savings by purchasing these bonds or certificates and get his  $2\frac{1}{2}$ - or 3-percent interest and be assured of getting his money back at any time.

I should like to know from the committee in charge of this bill whether that practice is going to be discontinued upon the issuance of these bonds, which tie up the purchaser for a long term.

Mr. SAMUEL B. HILL. It will be as to the certificates now outstanding, but there will be no further ones issued.

Mr. KENNEY. The Post Office Department will not continue to issue the postal bonds or certificates it is issuing now?

Mr. SAMUEL B. HILL. Not after July 1 next.

Mr. KENNEY. In other words, a person may not deposit his money in the Postal Savings System and get one of these Postal Savings bonds that pay him  $2\frac{1}{2}$ - or 3-percent interest?

Mr. SAMUEL B. HILL. He can up to the 1st of July 1935, but not afterward.

Mr. KENNEY. I believe the public should continue to have the benefit of the Postal Savings bonds, which permit a purchaser to make what amounts to a time deposit. Otherwise, this type of depositor will be compelled to buy these savings bonds upon which he may be called upon to take a loss. The amendment should be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was rejected.

The Clerk read as follows:

Sec. 7. Section 1126 of the Revenue Act of 1926 is amended by adding at the end thereof the following: "In order to avoid the frequent substitution of securities, such rules and regulations may limit the effect of this section, in appropriate classes of cases, to bonds and notes of the United States maturing more than a year after the date of deposit of such bonds as security. The phrase 'bonds or notes of the United States' shall be deemed, for the purposes of this section, to mean any public-debt obligations of the United States and any bonds, notes, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States."

Mr. FISH. Mr. Chairman, I move to strike out the last two words, "United States."

Mr. Chairman, those are pretty large words to strike out, but this bill certainly starts them on their way through providing the machinery for a gigantic inflation.

I understand that while I was absent getting a few refreshments downstairs the gentleman from Texas [Mr. PATMAN] referred to me as coming from the city of New York, from Wall Street, or from a wealthy district in that great and glorious city.

Mr. PATMAN. Not Manhattan.

Mr. FISH. I am a farmer. [Laughter.] I am a dirt farmer like the President. How do you like that? And I come from his own congressional district, that great district up the Hudson River. I am sorry to say that due to the Democratic Party there are very few millionaires left in my district, but whoever are left, I think, are supporting the President. They will not support me, because I am against these tax-exempt securities from beginning to end. [Applause.]

Now, as to my friend from Massachusetts, and he is a very good friend, and there is no abler or squarer Member in the House; he has the right to his views. He is a fair man. I know he wants to be fair. I think he admits that I have a right to my views; and I have a very definite view that is entirely different from the gentleman's, that this bill actually gives the Secretary of the Treasury and the President the right to issue \$13,000,000,000 more of Government bonds. That is written right into the report, and that is what the gentleman denies. It is very easy to prove; it is right here. It says we have issued \$25,000,000,000, but we have redeemed \$12,000,000,000. Subtract that which is redeemed from that which was issued and it gives you the right to issue \$13,000,000,000 more bonds. I do not see how any sensible man is going to differ with those facts, because they are facts, and very obstinate ones.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. SAMUEL B. HILL. The Secretary of the Treasury will not have authority to issue bonds except for expenditures authorized by the Congress.

Mr. FISH. He has the right without coming to Congress to issue these bonds. That is the very purpose of this legislation or it would not have been brought in here.

Now, just one other word. The reason I object to the whole performance is that it destroys what has been going on in this country for 150 years. We are just rushing into debt without providing any means to extinguish the debt. There is no means in this bill of providing revenue, nor has there been any such means in any other bill appropriating these huge sums of money. This is the most popular but at the same time the most insane way to legislate that has ever been devised. All you do is to go ahead and say, "We will borrow more billions and still more billions up to \$13,000,000,000 additional, and we will not tax the American people one cent." That is just what you are doing; that is the real Democratic policy. You are afraid to tell the people the truth by calling upon them for additional taxes to extinguish these debts which you are piling on top of each other by the billions without any regard for the day of reckoning.

The first message of George Washington to the Congress contained the statement that if the Government borrowed money it should provide means of extinguishing the debt. Here you provide means to borrow \$13,000,000,000 additional,

but do not provide one cent of revenue. It is the most popular scheme of government ever devised, but it is totally crazy except for political purposes. Sooner or later the public will find out what is going on and call a halt to such a method of high financing equal to Ponzi or the "Wolf of Wall Street", and, if not, we are headed for the rocks of insolvency. I am surprised that any member of the Republican Party intends to vote for this bill. I cannot see why he should. I hope there will be a roll call and that we will have a record vote on this inflationary measure that likewise takes additional powers away from Congress over the control of the purse strings and turns them over to the Chief Executive and the Secretary of the Treasury.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, when I stated that the distinguished gentleman from New York was representing New York City or the Wall Street district—I do not recall just the phrase I used—I did not look it up. I will admit I made no investigation, but I was quite sure many New York City people resided in his district.

With reference to this bill I am interested on a motion to recommit, in one amendment particularly.

There is one amendment I think the House would favor if they had an opportunity to vote on it, and that is the amendment of the gentleman from Texas [Mr. DIES], as amended by me.

You know, there are several ways in which to gag Members. You may gag them first by bringing in a bill and getting a rule. You may gag them next by going into committee, as we are now, where there is no record vote. Then you may gag them by cutting off debate—and I may say to the gentlemen on this committee that they have been very liberal and generous so far as time is concerned. There is another way in which Members may be gagged, and that is by somebody getting up and offering a pro forma motion to recommit in order to prevent the House from passing on a material and important question. I should like to ask the gentlemen of the committee whether they contemplate offering a motion to recommit on this bill?

Mr. DOUGHTON. The gentleman does not suppose I would offer a motion to recommit.

Mr. PATMAN. Or any member of the committee? May I ask the gentleman from Massachusetts, the ranking Republican member, if he intends to offer a motion to recommit?

Mr. TREADWAY. I may say to the gentleman from Texas that the time to find out about a motion to recommit is after the Committee rises, and not in the Committee of the Whole.

Mr. PATMAN. I thank the gentleman for the information.

Mr. TREADWAY. That is all the information I will give the gentleman.

Mr. PATMAN. I hope the gentleman will not make an effort to unduly gag the Members of the House and that he will not introduce some gag in order to prevent the offering of a motion that is really constructive.

Mr. TREADWAY. It may happen, I will say to the gentleman from Texas, that some people would think what he would offer might not be so tremendously important.

Mr. PATMAN. The same thing may be said about the gentleman's suggestions and amendments.

Mr. COCHRAN of Missouri. Is the gentleman from Texas trying to gag the members of the committee at this time?

Mr. PATMAN. No; I am not trying to gag the members of the committee, but I do not want the committee members to gag us.

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Chairman, I move to strike out the last section.

Mr. Chairman, I offered this motion in order that I might say a few words to ease my conscience for voting for this bill, if I do vote for it, and I most likely will. When I saw the stupendous figures carried in this bill I said, "My God,

shades of James B. Weaver and William J. Bryan, whose voices have sounded in this Hall, and shades of all the greenbackers, all the silverites, populists, expansionists, and inflationists that ever lived." In this year of progress, 1935, and in the second year of the new deal, we are here reorganizing the mechanics of a national-debt structure in the stupendous, inconceivable, and astronomical sum of \$45,000,000,000.

This recalls to my mind a campaign that happened before a lot of these kids here were ever born, the campaign of 1888. The paramount issue in that campaign was whether \$100,000,000—just a measly, lousy \$100,000,000—of Government bonds coming due should be retired and paid off. The Democrats were for retiring them. The issue got pretty hot. They smoked the Republicans out on that issue and the Republican Party in its platform, if I am not mistaken, pledged itself to retire the \$100,000,000 of Government bonds. Of course, after election they repudiated the pledge. [Laughter.]

May I tell you a little incident that has remained in my memory all through the years. I was a kid living down in Missouri and was interested in national affairs when I was a pretty small boy. At that time we subscribed to the St. Louis Globe-Democrat, which was a Republican paper, in spite of its Democratic name. However, it was the best newspaper in Missouri, so we subscribed for it. About 2 weeks after Harrison had defeated Cleveland in 1888, there was a three-line editorial squib in the Globe-Democrat, and I can almost remember the exact words after all these years. It said:

Of course, these national bonds will not be retired. Platforms were made to get in on, not to stand on.

I took my boyish pen in hand and wrote a letter to the Globe-Democrat stopping our subscription to that paper.

We have progressed since those days. We have progressed from \$400,000,000 of outstanding indebtedness to reorganizing the mechanics of a debt structure to the extent of \$45,000,000,000.

[Here the gavel fell.]

Mr. DIES. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MARTIN of Colorado. Mr. Chairman, I shall not take the 5 minutes, but I do want to mention one other incident recalled by this bill which carries with it a little word of warning. I am not going back quite as far as I did on the other campaign. I refer to the campaign of 1892 and to a time when the credit of the United States Government was not worth \$100,000,000.

It was going to be necessary to raise \$100,000,000. President Harrison was running for reelection. They say that the plates were engraved to strike off this \$100,000,000 worth of bonds, when some astute, long-headed national Republican politician—and they have always had that type of men in their fold—said: "Now, look here, let us just let this thing rest until after election. If Harrison is reelected we will strike off the bonds and issue them. If he is not, we will pass them over to Grover Cleveland", and they did.

When Grover Cleveland assumed the Presidency, he was confronted with an empty Treasury and the necessity of raising a measly, lousy, utterly inconsequential sum of \$100,000,000, and could not sell that amount of United States bonds at popular subscription, and what happened? To my mind this is the most disgraceful episode I know of in the history of any American President, and Grover Cleveland, with his monumental obtuseness, told this on himself in the Philadelphia Saturday Evening Post after he had retired from the Presidency. He said that J. Pierpont Morgan came here to Washington, went to the White House and showed him an obscure, long-forgotten statute under which these bonds could be sold at private sale to him. They were sold at private sale to him. He underwrote them. He got them at 96 and turned them over for about 104 or 105. J. Pierpont Morgan made seven or eight million dollars' profit on that transaction. What a shameful thing that the

credit of one man, a Wall Street banker, was worth more than the credit of the United States of America, but this is a historical fact.

The point I am trying to drive home is this: Just 40 years ago the credit of the United States Government was not worth \$100,000,000. Now, today, we are reorganizing a debt structure up to \$45,000,000,000.

Various amendments have been ruled out as not germane or as not relevant and I think, perhaps, they were not, but that does not disturb me. The thing about this bill that disturbs me, and I believe it is going to disturb the country before we get through with it, is that it is indicative of a policy. The question is asked, Where are we drifting? Apparently, on the money question, the bond question, and the question of financing, we are not drifting anywhere. The good, old ship of state is tied up to the same old rotten interest-bearing, tax-exempt bond dock it has always been tied to. There are only two things in the United States that are worth a tinker's dam—interest-bearing, Government bonds and money. You have got to stop this bond issuing eventually, and go to issuing money against this nine or ten billion dollars' worth of gold and silver that is lying locked up down here in the United States Treasury. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SUTPHIN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

Mr. PATMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman a member of the committee?

Mr. PATMAN. No; I am not.

The SPEAKER. Is there any member of the committee opposed to the bill who desires to offer a motion to recommit? If not, the Clerk will report the motion.

Mr. COOPER of Tennessee. Mr. Speaker, may I ask if the gentleman from Texas qualifies?

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PATMAN. I cannot say I am opposed to the bill, but I do prefer its present form changed.

Mr. COOPER of Tennessee. Mr. Speaker, I make the point of order that does not qualify the gentleman to offer the motion.

Mr. BLANTON. If there is no other Member who desires to offer a motion to recommit, I submit, Mr. Speaker, the gentleman from Texas [Mr. PATMAN] qualifies.

The SPEAKER. If there is no one opposed to the bill who desires recognition to offer a motion to recommit, the Chair recognizes the gentleman to offer his motion.

The Clerk read as follows:

Mr. PATMAN moves to recommit the bill (H. R. 4304) to the Committee on Ways and Means, with instructions to immediately report the same back to the House with the following amendment:

On page 2, line 8, after the word "aggregate", strike out "\$25,000,000,000 outstanding at any one time" and insert "at

any time three times the total amount of all outstanding currency of the United States, not including the money held in the United States Treasury."

Mr. COOPER of Tennessee. Mr. Speaker, I make a point of order against the motion that it is not germane to the section or to the bill. It relates to the subject of currency, which is not treated in this section or in the bill.

Mr. PATMAN. Mr. Speaker, it was held in order in the committee and, of course, we were led to believe it would be held in order in the House.

Mr. COOPER of Tennessee. Mr. Speaker, there was not a point of order made against it in committee.

Mr. PATMAN. I understood there was, but anyway I should like to be heard on the point of order.

Section 1 deals with the issuance of bonds by the United States Treasury. This places a limitation on that provision. The limitation is that bonds may be issued, but only to the extent that they do not have outstanding at any one time more than \$3 of bonds to \$1 in money. It is a limitation upon section 1 of the bill.

In other words, to make it clear what I am driving at, we have outstanding about \$5,000,000,000 in currency in circulation, \$28,000,000,000 in United States bonds, notes and certificates. This would require the issuance of additional currency so there would be a ratio of 3 to 1 based on the gold in the Treasury of the United States.

Mr. COOPER of Tennessee. That is the very point, that is something that is not in here. It is not a limitation, it does not stop at the point of a limitation, but goes farther and is an affirmative direction as to the relation of the currency—an expansion of the currency, which is not dealt with in this section or in the bill.

Mr. McCORMACK. Mr. Speaker, in connection with what the gentleman from Tennessee has said, it seems to me that under the guise of a limitation this is an attempt to inject the currency question into a bill which relates to bonds and the indebtedness of the Government.

In other words, this is an attempt to inject in a direct way the currency question by providing for a relationship of bonds issuable to outstanding currency, and that it shall be at a ratio of \$3 in bonds to \$1 in currency. I submit that such is not a limitation, but an affirmative action with relation to currency, a direct injection of the currency into a bill which in no way relates to the currency or monetary question of the country.

Mr. BLANTON. Mr. Speaker, I desire to be heard on the point of order. Mr. Speaker, this whole bill deals with the subject of limitation of bond issues. There is no question about that. It limits the amount of bonds that may be issued by the Treasury Department. The motion to recommit made by the gentleman from Texas [Mr. PATMAN] is nothing in the world but a different form of limitation. It says that it shall be of a ratio of 3 to 1 of the outstanding currency of the Government. It certainly is germane to the bill, it deals with the subject matter of the bill.

Mr. O'MALLEY. Mr. Speaker, as far as I can see, the gentleman's motion provides only a means of mathematical calculation on the amount of bonds that can be issued and has nothing to do with currency beyond the fact that it mentions the word "currency." It provides a means of mathematical calculation, the same thing the original section does.

Mr. PATMAN. Mr. Speaker, the object, of course, is to cause an expansion of more money directly by the Government. That is true, but section 1 provides that these bonds may be issued to the amount of \$25,000,000,000. The Federal Reserve bank purchasing one of these bonds may redeposit that bond with the Government and get new currency. That may be done to the full amount of those bonds. I am placing a limitation on that, so that when there is need for additional currency, the money shall be issued directly by the Treasury instead of selling the bonds to the banks, and letting the banks redeposit the bonds with the Treasury and getting the money in return and getting the interest on the bonds at the same time they use the money—in other words, giving the banks a bonus amounting to tens of millions of dollars and yet not putting money in circulation. I want it issued directly.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BLANTON. And the bank, when it deposits the bond and has money issued, not only gets the interest on the bonds but lets the money out at another high rate of interest.

Mr. PATMAN. That is correct, and the bank can lend \$10 to every \$1 of such money it has at its disposal.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. RANKIN. The gentleman from Massachusetts [Mr. McCORMACK] raised the point that this measure has nothing to do with currency. That is what we are trying to do—to pay a part of the national debt with these bonds. If we had the money to pay these bonds, there would be no necessity for issuing others in their places. To say that this motion to recommit is out of order simply because this is not a currency bill, per se, is, it seems to me, entirely too fine-spun for the practical affairs of legislative procedure in the House of Representatives.

The SPEAKER. The Chair is ready to rule. The gentleman from Texas [Mr. PATMAN] has offered a motion to recommit with instructions to add an amendment to section 1 as follows:

Page 2, line 8, after the word "aggregate" strike out "\$25,000,000 outstanding at any one time" and insert "at any one time, and three times the total amount of all outstanding currency of the United States, not including the money held in the United States Treasury."

The bill before the House relates solely to the reissue of bonds. The motion to recommit seeks to tie up with the reissue of bonds the question of the issuance of currency. The Chair does not think, therefore, that the motion to recommit is in order or that it can be properly construed as a limitation, or as being germane to the pending bill.

Mr. PATMAN. Would the Speaker bear with me for another suggestion?

The SPEAKER. Certainly.

Mr. PATMAN. As the bill is written it deals with the currency. It provides that these bonds may be issued. Existing law provides that these bonds may be redeposited and currency issued in return for them. Therefore, the currency problem is mixed up with this, and you cannot separate them because under existing law these bonds may be redeposited by the banking corporation and new money issued in return. The sole question is whether or not we shall issue the money directly by the Treasury or shall issue bonds to the banks and let the banks redeposit the bonds and get the money in return and continue to get the interest on the bond.

The SPEAKER. As the Chair reads the motion to recommit, it would compel the Treasury to issue currency against the issue of bonds.

Mr. PATMAN. I submit, Mr. Speaker, there is nothing in the language of the motion to recommit which, to my knowledge, would lead the Speaker to believe that. The President of the United States under existing law has the right to issue up to \$3,000,000,000 in United States notes. He has the right to issue \$3,000,000,000 more in payment of United States bonds to Federal Reserve banks, and this amendment would require him to either issue that money in order to bring the ratio up or to provide for its issuance in some other way.

The SPEAKER. But the issue of the bonds, as the Chair construes the motion to recommit, is based on the issuance of currency, and in that sense it does undertake to tie up with this bill which relates to the reissue of bonds the subject of the issuance of currency. The Chair therefore sustains the point of order made by the gentleman from Tennessee.

The question is upon the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were ayes 152 and noes 30.

Mr. FISH. Mr. Speaker, I make the point of no quorum.

Mr. WOODRUM. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. WOODRUM. I call the Speaker's attention to the fact that a great many Members did not vote either way on the question.

The SPEAKER. The Chair will count. [After counting.] Two hundred and nineteen Members are present, a quorum. So the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. FISH. Mr. Speaker, I ask for a teller vote.

The SPEAKER. The Chair will state that the bill has been passed and a motion to reconsider was laid on the table. So the request of the gentleman comes too late.

Mr. BULWINKLE. Mr. Speaker, the gentleman from New York did not make that motion. The gentleman did not object to the vote. He simply made a point of no quorum, and that is all he did.

Mr. FISH. That is correct; but I asked for a teller vote.

The SPEAKER. The gentleman's request for a teller vote comes entirely too late, because the bill has been passed, and a motion to reconsider has been laid on the table.

#### THE NEW GOVERNMENT WORK PROGRAM SUBSTITUTES JOBS FOR DOLES

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

Mr. Speaker, last week the House of Representatives passed a measure which I sincerely believe will stand out as one of the greatest and one of the most encouraging events of these trying times. By a vote of 329 to 78 it passed House Resolution 117, which provides \$4,880,000,000 for the use of the President in combating unemployment.

You are, I know, familiar with the chief provisions of that measure. Of this sum, \$880,000,000 is for direct relief, to be allocated to the States and tide them over until the program under which the \$4,000,000,000 will be expended begins to function. Authority to expend this money is left solely to the discretion of the President.

#### THIS BILL IS AN INTEGRAL PART OF A GREAT NATIONAL PROGRAM OF SOCIAL AND ECONOMIC SECURITY

These are the essentials of this bill. I should like to discuss its significance, why I consider it of such great importance, and how it fits in with an even far greater program for the betterment and financial restoration of this country to definitely better times.

When I addressed my colleagues last Wednesday during the debate on this measure, I suggested that we should not overlook the fact that this bill is one part of a vast program; and we must always keep a complete picture before us in order to see clearly how all these parts fit into the complete whole.

I ask this again now, because everything that we do in Congress during this session will be for the purpose of shaping up that entire program.

The goal of this program is national security—social and economic. It consists of two parts. One is to end the dole system of relief and to give employment to all those who are unemployed. The second part of the program is to care for those who are unemployed but unable to work. This we intend to do through the program of social security which was presented to Congress by the President.

#### WE ARE GOING TO GIVE PEOPLE JOBS

Now, let us look at the first part of that program—for which we appropriated \$4,000,000,000. I can tell you what this amounts to in seven words. We are going to give people jobs. These words are of tremendous significance. They mean salvation—mental, physical, and spiritual salvation—for three and one-half million people. They mean that we are going to discard—and I fervently pray that we will never return to it—a dole system whereby when a man came to us and said, "I want work", the best we could say in reply was, "We have no work, but here is a little something to keep you from absolute starvation."

#### RELIEF IS NO ADEQUATE SUBSTITUTE FOR EMPLOYMENT

Do not misunderstand me. Our relief system did keep people from starvation. It did, insofar as it was able, shelter

people from cold, feed them, and offer the bare necessities of life. For one of the first things Franklin D. Roosevelt recognized when he was sworn into office as the President of the United States was the sacred obligation of this country to see that no one goes hungry. Relief was not the best way, but it was the quickest then. We hoped that this depression would not last so long. We hoped that private industry would help to assume the national burden of recovery, that it would pitch in and do its part.

Well, we were wrong. One, two, three, four, five years have gone by, and our hopes have not been realized. Private industry has not shared the load. I am not placing blame here; I am simply making a statement of fact.

#### THE GOVERNMENT'S MESSAGE TO THE UNEMPLOYED

And from this we have now come to a new stage of responsibility, and one which I welcome with great happiness, because I advocated and fought for it ever since I have been a Member of Congress.

Now we say, "Until private industry, until your former employer, until the field of work for which you have been trained and prepared, and for which you are qualified, furnishes you a job, we, the Government, will furnish that job. You are not going to come to us empty handed. To the best of our ability, with every means at our disposal, we are going to give you work to do—useful work—work which will add to the material wealth and to the greatness of our country, and, above all, work which will restore to you your self-respect."

#### THE EFFECTS OF ENFORCED IDLENESS

Mr. Speaker, I hope that all of us can realize how much this means. I do not think that we will ever know the tremendous loss beyond all possible computation which this country has suffered because of its millions who have had their morale and their energies numbed, their eagerness and desire to contribute to the well-being and prosperity of their community and of their Nation stifled. This is what unemployment means, and to try to make up for that unemployment by offering a man relief to provide for bare subsistence is a sorry substitute. It is one which we never want to see again.

Everyone has the right to live decently and to live happily, and through this legislation which we have passed in the House and which I hope will soon become the law of the land we are going to begin to have that decency, that happiness in this country again.

#### THE WAGE SCALE UNDER THE NEW PROGRAM

My friends, there was much discussion last week on the floor of the House and in all the newspapers regarding the scale of wages which is to be paid under this new program. I want to point out to you that the bill sets up no specific wage scale. It contemplates that wages paid should be lower than those received for similar work from private industry, but at the same time should be fair enough to permit decent living.

It has been widely published that this wage will be \$50 per month. This statement should be qualified and explained. For one thing, as I said before, there has been no official pronouncement regarding wages. One Government official who testified before the committee holding hearings on the bill did mention an average wage of \$50 per month. This might mean that for large industrial centers and in big cities, where the cost of living is higher than in smaller places, the scale would be more than \$50 per month.

#### WAGES SHOULD GIVE THE WORKER MORE THAN HE RECEIVES FROM RELIEF

As far as I am concerned, it will absolutely have to be more than that. Why, if we were to pay in Pittsburgh only \$50 a month to people who are doing real jobs and who are adding to the wealth of this country, through the public works that will be built, they would not be much, if at all, better off than under the present system of relief.

Right now the head of a family of four in Allegheny County can earn, under the work-relief system in effect, \$14.25 a week. I do not mean that the wage earner for all families of this size receives this amount, but this is the maximum which he can receive. The average cash relief to

a similar family where no one is working amounts to about \$10 a week. You will, therefore, clearly see that \$50 a month is much too low, and I am going to advocate and press as hard as possible for a scale of wages higher than this.

I hope that such adjustments will be made, but most important is that at last the unemployed can know that idleness is going to end—the un-American dole is to be thrown overboard. Instead, people will again be able to use their hands, their minds, and hearts to earn their daily bread.

#### NOW WE HAVE AN EQUALLY GRAVE RESPONSIBILITY—WE MUST GIVE ADEQUATE AID TO THE UNEMPLOYED WHO ARE NOT ON RELIEF

And now, Mr. Speaker, I ask that we consider another part of this picture, and one just as important. I say to you that after this bill has passed the Congress of the United States we have an equally grave and sacred obligation before us. Our task is twofold. In this bill we care for the unemployed who are on relief rolls. There is also that vast army of unemployed who are not on relief rolls, but whose condition is just as precarious and just as desperate. We must turn our thoughts and our actions to these. To some extent they will be helped by the removal from the field of unemployment of people on relief, and therefore will have a better chance to be called to private industry, but we must not repeat again our mistake of the past.

We are not going to assume that private industry will take care of them, for unless we care for them we will simply be working in a vicious circle. These unemployed who are not now on the relief rolls and who have done everything in their power to keep off relief, will be forced to go on relief, thus simply taking the place of those we are going to take off. No; we are not going to have that again. The same principle which is good, true, and just for one group is just as true for the others. We should not—and shall not—make a distinction between those who are on relief rolls and those who are not.

The relief roll is no criterion of need. There are between 5,000,000 and 6,000,000 unemployed in this country today who are not on relief rolls. Who are we to say that these people are not just as desperately in need as the others? We dare not and shall not say that their need is less and their plight is no concern of ours. It is our concern. It is a sacred one, and we must attend to it at once.

#### INDEPENDENT OFFICES APPROPRIATION BILL—CONFERENCE REPORT

Mr. WOODRUM, from the Committee on Appropriations, presented a conference report on the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes, for printing.

#### ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, may I inquire of the acting majority leader what the program is for Monday and Tuesday?

Mr. TAYLOR of Colorado. Monday is District of Columbia day, but I understand they have no business, so I assume we will go ahead with the Treasury and Post Office Departments appropriation bill.

#### REPLY TO THREATENING LETTER

Mr. BLANTON. Mr. Speaker, I have received from some constituents in my district a letter threatening me and attempting to intimidate me into voting for the Townsend old-age pension plan. This afternoon's Washington Star, which is just off the press, on page 6, reports that at a luncheon yesterday at the National Press Club, Dr. F. E. Townsend told them that his 30,000,000 followers will insist on his pension plan, or they will stage a revolution. I quote from the article the following:

The casual prediction that his followers will overturn the Government of the United States if it refuses to put into effect his old-age revolving pension plan was voiced by Dr. F. E. Townsend at a luncheon at the National Press Club yesterday.

It is very significant that in this threatening letter I have received from one of these Townsend Clubs in my district there is a threat of revolution. Can it be possible that

"revolution" is becoming a preachment of this Townsend propaganda?

Believing, Mr. Speaker, that it will be of interest to my colleagues and to the country generally, I ask unanimous consent to extend my own remarks in the RECORD at this point, and to print a letter that I wrote in answer to the threats made by this Townsend Club in my district, threatening me and Congress if we did not pass that bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. BLANTON]?

There was no objection.

The following is the reply referred to:

HOUSE OF REPRESENTATIVES,  
Washington, D. C., January 25, 1935.

Mr. J. B. LEATH, President,  
Mr. J. R. BARRETT, Vice President,  
Mr. D. C. DOVE, Secretary,  
The Townsend Club, Mineral Wells, Tex.

GENTLEMEN: I have your communication of the 21st instant, stating that you represent 1,500 voters in Mineral Wells and have the signatures of 2,000 voters in Palo Pinto County and the signatures of 40,000 of the best people in my congressional district, who demand that I support the Townsend old-age pension bill or resign my position; and that, if I refuse to help pass it, you will defeat me for reelection and that the Townsend followers will become radicals and "wreck the Government."

It would seem that your Dr. Townsend has already become a radical and is seeking to wreck the Government. This afternoon's Washington Star, just off the press, with the headlines, "Townsend talks about revolution" and "Tells Press Club 30,000,000 followers will insist on pension plan", states:

"The casual prediction that his followers will overturn the Government of the United States if it refuses to put into effect his old-age revolving pension plan was voiced by Dr. F. E. Townsend at a luncheon at the National Press Club yesterday."

When you and Dr. Townsend threaten revolution, you don't represent the same splendid people I represent. They don't wreck governments. They believe in an orderly government. They believe in a stable government. They are not Dillingers, who with drawn guns say "Stand and deliver." They want a government that pays its debts and is good for its obligations. They want to preserve their government, and they know I will do all I can to preserve it.

My constituents elected me, and have kept me in office, because they have learned that they can depend upon me absolutely to fearlessly perform my duty at all times and under all circumstances regardless of consequences.

Threats do not scare me. I have been threatened many times for doing my duty. Opposition doesn't scare me. I have been opposed many times for doing my duty. Abuse doesn't scare me. I have been abused many times for doing my duty. Attacks do not scare me. I have been attacked many times for doing my duty. I have received threats of violence and even of death because I did my duty.

I am against the Townsend plan because there is no possible way under heaven to raise that much money. I am against it because it would bankrupt and wreck the Government.

Dr. Townsend claims that there are only 8,000,000 persons over 60 years of age in the United States, and to pay them \$200 per month would cost the Government \$19,200,000,000 per year. But our reliable expert Government actuaries all agree that to pay every person in the United States over 60 years of age \$200 per month, together with the administration expense necessary and incident thereto, would require the sum of \$24,000,000,000 per year. Dr. Townsend does not deny it. All are now agreed that it will cost \$24,000,000,000 per year.

It might be possible, if the Government had the money. It might be possible, if by some means the Government could raise that much money. But there is no possible way on earth or under heaven for this Government to raise \$24,000,000,000 extra per year. All of the governments on earth put together could not raise \$24,000,000,000 per year.

Our entire combined revenues from all sources of taxation last year amounted to only \$3,700,000,000, which is less than one-sixth of what Dr. Townsend proposes to pay each year in old-age pensions alone. If we had paid these total revenues for last year of \$3,700,000,000 on old-age pensions, we would have had to raise an additional \$20,300,000,000 more in order to have been able to pay \$200 per month to all persons over 60 years of age. Where would we have got it? The proposed sales tax mentioned by Dr. Townsend wouldn't raise enough to pay the actual expense of administering it, and is so utterly ridiculous and absurd to any person posted on Government finances, business, and taxation that it is not worthy of consideration.

I wish that you gentlemen could know just how very hard it is for your Government to raise the \$3,700,000,000 it received in total revenues last year, and then you would understand just how absolutely impossible it would be for this Government to raise \$24,000,000,000 extra to pay the Townsend pensions.

After taxing incomes, inheritances, gasoline, tobacco, liquors of all kinds, the nuisance taxes, the excise taxes, the 2-cent tax on bank checks, extra postal rates, and all other taxes, this Government last year could not raise but \$3,700,000,000 in total revenues

from all sources. Now compare that with the stupendous sum of \$24,000,000,000 needed for the Townsend plan. Can't you see that it is simply out of the question? Can't you see that it is impossible? Can't you see that it is ridiculous? Can't you see that it is absurd?

You wouldn't have any respect for me if I voted for such a monstrosity. You would not have any confidence in me if I told you I would vote for it and help to pass it. Because if it were passed, it could not be executed. It would not be possible to raise the money. The Government could not make the payments. The people would not receive their \$200. They would find out that Congress had handed them a gold brick. Don't you think that it is cruel and unpardonable for any person to attempt to fool and disappoint eight or ten million old men and women and lead them to believe that they will be paid \$200 per month when there is no possible chance on earth to pay them? I am not going to fool my constituents. I am not going to mislead them. I am not going to disappoint them. I want them to have confidence in me. I want them to believe in me. I want them to know that they can depend on me. And they do know it.

Some constituents insist that the minimum age should be 58; some demand that it be 55; some threaten that it must be 50; and even some want it to begin at 45 years; and some have insisted that the amount should be \$250; and a few have written that they think the pension should be \$300 per month, as that would put more money in circulation. As a matter of fact, \$300 per month at 45 years and over would be just as possible as \$200 per month beginning at 60 years and over, because both are absolutely impossible.

A prominent former official of Palo Pinto County writes me that he signed under a misapprehension of facts.

A prominent official of Eastland County, who is a man of strict honor and integrity and an unusually high-class citizen, writes me:

"Some time during the month of November an attorney from Fort Worth came to this county and made several talks favoring the Townsend old-age pension plan, and urged our people to secure all signatures possible to petitions urging you and the Senators to support the plan. A dozen or more petitions were circulated over the county and 3,000 signatures were secured."

I feel sure that none of them knew that the Townsend plan would cost each year \$20,300,000,000 more than our entire total revenues were last year from all sources of taxation.

It is immaterial whether or not Dr. Townsend has collected anything from his followers. On October 15, 1934, he wrote me respecting his Townsend clubs: "The only demand of members is that they purchase a booklet at 25 cents." That came from his office. That was his statement, not mine. In his address yesterday he claimed he now has 30,000,000 members. So far as I know he may not have collected 25 cents from any of them. He was the one who said he collected 25 cents from members. What he has collected is immaterial. That which is material is the fact that it is impossible for the United States to raise \$24,000,000,000, or \$19,200,000,000, or even \$10,000,000,000 additional to the revenues we now raise, which altogether last year totaled only \$3,700,000,000.

As I have said many times before, I am in favor of a sane, possible old-age pension such as was outlined by the President the other day. I have been in favor of it for several years. We must care for our aged men and women. I am far more concerned about the aged men and women in my district than is Dr. Townsend. I know them. He doesn't. I am their Representative. He is not. I sympathize deeply with all of their many problems, about which he knows practically nothing. We would have passed an old-age pension in the last Congress, but the President wasn't ready for it. But he then promised us that he would approve it this session. He is ready for it now. And we are going to pass it this session. And we would pass it if Dr. Townsend had never been born.

Your friend,

THOMAS L. BLANTON.

#### FEDERAL CONTROL OF MONEY AND CREDITS

Mr. BUCKLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BUCKLER. Mr. Speaker, I rise in support of the Dies amendment to House Resolution 4304.

One of the most important questions before this Congress is the money question.

I believe that the Federal Government should take over the Federal Reserve banking system and control the money and credit of this Nation for all the people, instead of "farming" it out to the big bankers and money lenders.

The Constitution provides that Congress should issue the money and control the value thereof. The present system provides issuing bonds and borrowing the money to finance the Government. The Federal Reserve banks and big bankers can buy a bond drawing 3-percent or 4-percent interest, then deposit it with the Government Treasury and this Government Treasury issues the face value of the bonds in currency at a cost of less than one-half of 1 percent. They can loan this money to the people from 6-percent to 8-percent interest or more. In other words, they draw 3

percent or 4 percent on the bonds as well as getting the interest on the money which they loan out to the people.

National banks can buy bonds equal to their capital stock and deposit with the United States Treasury, and in return the Treasury will issue them currency for face value of bonds. For every dollar the banks have on deposit they can issue 10 times the amount in credit, and people pay interest on that credit. Under this arrangement the banks can inflate the currency or deflate it at their will. You remember the way the Federal Reserve bank and the banks inflated the currency "to win the war."

You remember in 1919 when they advised farmers of this Nation to "be patriotic and increase the number of livestock and machinery to help feed the world, as it will take 5 years to catch up with production." Farmers went to the bank, as they were advised, and borrowed the money, went in debt, and inside of 12 months this same Federal Reserve bank, in the fall of 1920, deflated the currency, taking the money out of circulation, out of the agricultural districts. The country bankers endeavored to collect the money and the farmers' prices went down to one-half—in some cases, one-third of what his produce was worth 6 months before. They broke the farmers of this Nation as well as most of the country bankers.

It has been estimated that 2,000,000 farmers lost their farms and their life savings through the control of the money and credits by the big financial money changers. The big financial interests now seem to get excited and are terribly afraid of mild and controlled inflation, but they never say anything about when they deflated the currency and bankrupted the farmers of this Nation.

I say again, this system bankrupted the farmers of this Nation, caused 2,000,000 farmers to lose their farms, caused people to commit suicide, and caused 10,000,000 unemployed. It also has caused people to go ragged and hungry, and drove people to despair and the depths of hell and crime. The money system and the way it is handled by international bankers is responsible for the ills of this Nation.

There is only \$5,500,000,000 in actual money in the United States. However, at the present time, there is on deposit in the banks about \$41,000,000,000, of which a big percent is credit and not actual money.

Banks can inflate the currency by extending credit. They can contract currency by refusing credit, which they have been doing the last few years, as most of the business is done on credit. Without credit you have nothing to do business.

Therefore it is essential for the Government to take over the money and credit of this Nation, so that people will not have to pass through another period like the one we are just passing through.

#### THE SECRETARY OF THE INTERIOR

Mr. STUBBS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD regarding my defense of the Secretary of the Interior, Mr. Ickes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. STUBBS. Mr. Speaker, I am prompted to rise in the defense of Secretary of the Interior Ickes, the trusted and capable right bower of President Roosevelt, and who has been "under fire" during the past few days from Members of the House.

I do not believe it is necessary for me to hold any particular brief for the honorable Secretary of the Interior, for he has often proved himself very willing and highly capable in the art of matching wits during verbal skirmishes and pitched political battles, but since the rules of the House bar him from answering any criticism here, it occurs to me that it is my duty as a gentleman to report that I am not totally in harmony with the charges which have been directed at him, and to recount some of the experiences which I have had with him and his Department.

Of course, I cannot speak for others; but in my considerable dealings with Secretary Ickes and the executives and

subordinates of his Department I have not always obtained that which I have sought, but in every instance I have received the utmost consideration and ready cooperation.

No one, to my knowledge, has ever seriously attempted to impeach the rugged honesty and simpleness of purpose for which our Secretary of the Interior is noted. He has proved his ability to handle an extraordinary huge sum of money without the usual leakages associated with such expenditures. The attacks upon him seem to center around patronage and the disposition of the \$3,000,000,000 placed at his command. Not in a position to know about his allocation of funds on a national basis, it is not my place to defend the distribution of this money on a sectional basis, but I do believe that I can understand his patronage difficulties.

It seems to me that his position is not unlike ours. We are hounded by thousands of folks back home for jobs—jobs which it is not possible for us to find. We plague the Secretary of the Interior, as Administrator of the Public Works Administration, and he is placed in the unfortunate position of being besieged by Members of Congress for jobs just as we are besieged by our people back home. We dislike to turn down our constituents, as we are forced to do every day in the week, and I have no doubt it would please Secretary Ickes to satisfy all of us in all our requests, but that, too, obviously is not possible.

I am a member of the Public Lands, the Irrigation and Reclamation, and the Indian Affairs Committees, all of which deal directly with the Department of the Interior. In my committee work I have been obligated to contact Secretary Ickes repeatedly, and I have failed to note any sign of the discourtesy for which he is being blamed.

As stated before, it is not necessarily my place to speak for this very able member of our Cabinet; but in view of the fact that he is a trusted lieutenant of our President, it appears to me that those of us who have had more than usual dealings with him and his Department should voice their knowledge of his actions. Secretary Ickes has exerted a great deal of energy in advancing legislation sponsored by the administration, before committees and otherwise, and he always has conducted himself in a fair and agreeable fashion.

Thus it is, in the midst of this intraparty political turmoil, which is embarrassing for all concerned, I am prompted to register my views in his defense.

#### THE LOW LEVEL OF EMPLOYMENT IN THE MARBLE, GRANITE, AND SLATE INDUSTRIES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend in the RECORD as a part of my remarks a letter from Mr. John Finch, of the Bureau of Mines, which speaks of the great unemployment in the marble, limestone, granite, and slate industries, which have been very much discriminated against in the P. W. A. building program.

The SPEAKER. Is there objection to the request of the lady from Massachusetts?

Mr. BULWINKLE. Reserving the right to object, from whom is the letter?

Mrs. ROGERS of Massachusetts. The letter is from Mr. John Finch, of the Bureau of Mines, Department of the Interior. It contains some very valuable information. It speaks of the granite, limestone, slate, and marble industries in the United States. It also shows the Members of Congress who have these industries in their districts and who will be vitally interested in having this information. [Laughter.]

Mr. BULWINKLE. I have no objection.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statistics regarding the low ebb of employment in the marble, granite, and slate industries:

DEPARTMENT OF THE INTERIOR,  
BUREAU OF MINES,  
Washington, January 24, 1935.

Mrs. EDITH NOURSE ROGERS,

House of Representatives, Washington, D. C.

MY DEAR Mrs. ROGERS: In accordance with your telephone request this afternoon, I am enclosing a list of the congressional districts

with their Representatives covering areas where important marble and building-limestone industries are centered.

Regarding your question on the employment situation in the building-stone industries, I would state that the best information available is that given in the reports of the Bureau of Labor Statistics. The latest figures published are for November 1934. Of the 107 groups into which industry is divided, the group designated "Marble, granite, slate, and other products" was the very lowest in employment of them all. The number employed in these industries in November 1934 was only 28.6 percent of the 1923-25 average.

I trust that the data submitted will be of service to you.

Cordially yours,

JOHN W. FINCH, Director.

*Chief centers of building-limestone production*

State	Congressional district	Representative
Alabama	Seventh	William A. Bankhead.
Indiana	do	Arthur H. Greenwood.
Do	Ninth	Eugene B. Crowe.
Kentucky	Second	Glover H. Cary.
Minnesota	First	August Herman Andresen.
Do	Second	Elmer James Ryan.
Texas	Tenth	Martin Dies.

*CHIEF CENTERS OF MARBLE PRODUCTION*

Tennessee	First	B. Carroll Reece.
Do	Second	J. Will Taylor.
Vermont	At large	Charles Albert Plumley.
Georgia	Ninth	B. Frank Wheelchel.
Missouri	Sixth	Reuben Terrell Wood.
Do	Seventh	Dewey Short.
Do	Eighth	Clyde Williams.
Alabama	Fourth	Sam Hobbs.
New York	Twenty-sixth	Hamilton Fish.
Do	Thirty-first	Bertrand H. Snell.
California	Second	Harry L. Englebright.
Arkansas	do	John E. Miller.
Colorado	Fourth	Edward Thomas Taylor.
Maryland	Second	William P. Cole, Jr.
North Carolina	Eleventh	Zebulon Weaver.

*Congressional districts in which granite appears*

State	District	Name of Congressman
Vermont	At large	Charles Albert Plumley.
Massachusetts	Second	William Joseph Granfield.
Do	Fourth	Pehr G. Holmes.
Do	Fifth	Edith Nourse Rogers.
Do	Sixth	A. Piatt Andrew.
Do	Thirteenth	Richard B. Wigglesworth.
Do	Fourteenth	Joseph William Martin, Jr.
Minnesota	Sixth	Harold Knutson.
Do	Ninth	Richard Thompson Buckler.
North Carolina	Fifth	Franklin Wills Hancock, Jr.
Maine	First	Simon Moulton Hamlin.
Do	Second	Edward Carleton Moran, Jr.
Do	Third	Ralph O. Brewster.
Georgia	Fifth	Robert Ramspeck.
Do	Sixth	Carl Vinson.
Do	Tenth	Paul Brown.
Wisconsin	Seventh	Gerald John Boileau.
Do	Eighth	George J. Schneider.
Do	Tenth	B. J. Gehrmann.
New Hampshire	First	William Nathaniel Rogers.
Do	Second	Charles William Tobey.
New York	Twenty-fifth	Charles D. Millard.
California	Ninth	Bertrand Wesley Gearhart.
Do	Second	Harry Lane Englebright.
Maryland	Sixth	David John Lewis.
Do	Fifth (Baltimore city)	Stephen Warfield Gambrill.
South Dakota	First	Fred H. Hildebrandt.
Rhode Island	Second	John Matthew O'Connell.
Connecticut	First	Herman Paul Kopplemann.
Do	Second	William Lincoln Higgins.
Do	Third	James Andrew Shanley.
Pennsylvania	Ninth	Oliver W. Frey.
Do	Tenth	J. Roland Kinzer.
Do	Fourteenth	William E. Richardson.
Texas	Tenth	James P. Buchanan.
Do	Twenty-first	Charles L. South.
South Carolina	Fifth	J. P. Richards.
California	Fourth	E. T. Taylor.
Missouri	Eighth	Clyde Williams.
Washington	Fifth	S. B. Hill.
Oklahoma	Seventh	S. C. Massingale.
Montana	First	J. P. Monaghan.
Do	Second	R. E. Ayers.

**SWEARING IN OF MEMBER**

Mr. OLIVER. Mr. Speaker, I ask unanimous consent for the present consideration of a joint resolution which I have sent to the desk.

The Clerk read as follows:

**House Resolution 72**

Whereas WILLIAM B. BANKHEAD, a Representative from the State of Alabama, has been unable from sickness to appear in person to

be sworn as a Member of the House, and there being no contest or question as to his election: Therefore be it

*Resolved*, That the Speaker be, and he is hereby, authorized to administer the oath of office to said WILLIAM B. BANKHEAD at the Naval Hospital in the city of Washington, and that the said oath, when administered as herein authorized, shall be accepted and received by the House as the oath of office of the said WILLIAM B. BANKHEAD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. OLIVER]?

There was no objection.

The resolution was agreed to.

Mr. OLIVER. Mr. Speaker, the resolution was presented simply in order to follow the regular procedure. Mr. BANKHEAD is rapidly improving and hopes to leave the hospital very soon.

**DEMOCRATIC CAUCUS POSTPONED**

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to insert a resolution which I have offered, together with the condition of apportionment of employees at the close of January 15, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Reserving the right to object, where did this come from?

Mr. McFARLANE. From the Civil Service Commission.

The SPEAKER. Is there objection?

There was no objection.

Mr. McFARLANE. Mr. Speaker, last week I circulated a petition among the Democrats of the House for the purpose of calling a caucus of the Democratic Membership of the House to discuss the present status of patronage and departmental personnel distribution and other affiliated matters. In a short while 75 Members had signed this petition, when only 25 were required under caucus rules. This caucus was first called for 7:30 p. m. January 24, but because of the late adjournment on yesterday, together with extremely bad weather conditions, it was decided to postpone the caucus until January 29, 7:30 p. m., at which time the caucus will be held in the House of Representatives. All Democratic Members of the House are urged to be present at that time.

I have offered the following resolution to investigate the distribution of patronage under appointments of the Civil Service Commission:

*Resolved*, That for the purpose of obtaining information necessary as a basis for legislation the Committee on Civil Service, as a whole or by subcommittee, is authorized to investigate the Civil Service Commission, the heads of all of the departments, commissions, and independent offices, to determine whether the third paragraph of section 2 of the act of January 16, 1883, being an act to regulate and improve the civil service of the United States, as follows: "Third. Appointments to the public service aforesaid in the departments at Washington shall be apportioned among the several States and Territories and the District of Columbia upon the basis of population as ascertained at the last preceding census" has been enforced and whether each State has its quota of Federal employees in the District of Columbia in the several departments, commissions, or independent offices as required by said act.

The committee shall report to the House the results of its investigation, including such recommendations for legislation as it deems advisable.

The committee, or any subcommittee thereof, is authorized to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, and to take such testimony and report its recommendations to the House.

It will be remembered that last session the gentleman from Oklahoma, Mr. Hastings, called to the attention of the Membership paragraph (b) of section 8 of the independent offices appropriation bill, H. R. 5389, which provided that in making reductions of personnel due regard should be given to the apportionment of appointments as provided in the Civil Service Act. This provision was in keeping with the third paragraph of section 2 of the Civil Service Act, January 16, 1883, as quoted in the above resolution:

Appointments to the public service aforesaid in the departments at Washington shall be apportioned among the several States and Territories and the District of Columbia upon the basis of population as ascertained at the last preceding census.

I have just received the following apportionment from Mr. C. C. Hathway, personnel officer of the United States Civil Service Commission, which shows the exact condition of the apportionment at the close of business Tuesday, January 15, 1935, as administered by said Commission under said law. The report of the Civil Service Commission was that there are 33,156 Federal employees in the city of Washington. Of this number, the District of Columbia, Maryland, Virginia, and Vermont have a total of 13,442, or over 40 percent of the entire number. Massachusetts, South Dakota, Iowa, Maine, Rhode Island, Delaware, Utah, West Virginia, and New Hampshire all, as you will note from the list, have received practically their quota. At this point I desire to place in the RECORD the total each State is entitled to and the number each State has received and the number each State is in arrears:

*Condition of apportionment at the close of business Tuesday, Jan. 15, 1935*

State	Entitled	Received	Arrears	Percent filled
Puerto Rico.....	410	24	386	6
Hawaii.....	98	11	87	11
California.....	1,509	394	1,115	26
Texas.....	1,548	482	1,066	31
Alaska.....	16	5	11	31
Oklahoma.....	637	241	396	38
Arizona.....	116	44	72	38
Michigan.....	1,287	499	788	39
Louisiana.....	559	219	340	39
New Jersey.....	1,074	428	646	40
Arkansas.....	493	218	275	44
Alabama.....	703	348	355	50
South Carolina.....	462	236	226	51
Mississippi.....	534	274	260	54
Georgia.....	773	417	356	54
Nevada.....	24	13	11	54
Ohio.....	1,767	992	775	56
North Carolina.....	843	479	364	57
Wisconsin.....	781	449	332	57
Oregon.....	253	150	103	59
Illinois.....	2,028	1,203	825	59
Tennessee.....	695	417	278	60
New Mexico.....	112	68	44	61
Connecticut.....	427	261	166	61
New York.....	3,346	2,054	1,292	61
Kentucky.....	695	476	219	68
Montana.....	143	99	44	70
Wyoming.....	60	43	17	72
Florida.....	399	285	105	73
Pennsylvania.....	2,560	2,019	541	79
North Dakota.....	181	143	38	79
Washington.....	416	335	71	81
Idaho.....	118	98	20	83
Indiana.....	861	733	128	85
Missouri.....	965	830	135	86
Minnesota.....	681	598	83	88
Colorado.....	275	246	29	89
Kansas.....	500	448	52	90
Nebraska.....	366	342	24	93
New Hampshire.....	124	118	6	95
West Virginia.....	460	442	18	96
Utah.....	135	130	5	96
Delaware.....	63	61	2	97
Rhode Island.....	183	179	4	98
Maine.....	212	208	4	98
Iowa.....	657	648	9	99
South Dakota.....	184	183	1	99
Massachusetts.....	1,129	1,124	5	99.6
States in excess:				Percent excess
Vermont.....	96	117	21	22
Virginia.....	644	2,008	1,364	212
Maryland.....	434	1,875	1,441	332
District of Columbia.....	129	9,442	9,313	7,219

NOTE.—Number of employees occupying apportioned positions who are excluded from the apportionment figures under sec. 2, rule 7, and the Attorney General's opinion of Aug. 25, 1934, 6,611.

I call to your attention that the District of Columbia is entitled to 129 and has received 9,442; Maryland is entitled to 434 and has received 1,875; Virginia is entitled to 644 and has received 2,008; Vermont is entitled to 96 and has received 117. You will note that we in Texas are entitled to 1,548 and have received only 482.

One of the purposes of calling the Democratic caucus for next Tuesday evening is to decide what steps, if any, shall be taken to correct these and similar abuses in the distribution of patronage. For the past 52 years the United States Civil Service Commission has ignored the above-quoted law of this Congress. Should the law Congress enacts be respected or is the Civil Service Commission more powerful than the law?

The Democratic caucus next Tuesday evening will, no doubt, properly consider ways and means of determining what method of selection, the kind and character of personnel, and so forth, that is now existing in all departments of government, as well as on Capitol Hill. It is common knowledge to the Democratic Membership of the House that practically all key positions in the entire emergency set-up created by the Seventy-third Congress are held by Republicans. Practically all positions paying more than \$4,000 per year in all the regular departments of government here in Washington as well as out in the field are held by Republicans, many of whom supported Mr. Hoover in the last election.

It is known to many Members of Congress that quite a number of those in charge of the personnel selection in the different emergency departmental divisions have ignored recommendations of Members of Congress in the selection of their personnel and have so instructed their employees in considering patronage matters. Rumors have been coming in in increasing numbers as to the many discriminations being made by employees in the selection of their personnel on Capitol Hill, of the abuse of power of these same employees, of downright graft of some of these employees. If these charges and rumors are true, a general shake-up should be made in the employees of the House. Certainly a thorough investigation by a proper committee appointed by the Democratic caucus to be held Tuesday night should be made. It is well known that rank discrimination by some of the departments has been made favoring recommendations of certain Members of Congress over other Members of Congress in the selection of their personnel. All Members of Congress should be treated equally by all departments of Government in the selection of their personnel. Certainly the coming Democratic caucus should thoroughly investigate and make an early report in this regard. The whole system of patronage as it has been handled under the Democratic administration should be carefully investigated and an early report made back to this Congress, to the end that the facts be known and that the responsibility for the existing condition be made public.

We are daily being besieged by our constituents with applications for positions running into large numbers and filed. They cannot understand why so few positions under this administration have been given to the Democrats. They know, as we know, that many of these positions are not under civil service; that someone is receiving these positions. We should be able to definitely tell them the reasons why our recommendations of them are being ignored.

All such patronage questions should rightly come before the Democratic caucus and this caucus should appoint proper committees to see that this information is immediately made available to the membership.

#### ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 112. Joint resolution to clarify the definition of disagreement in section 19, World War Veterans' Act, 1924, as amended.

#### JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 112. Joint resolution to clarify the definition of disagreement in section 19, World War Veterans' Act, 1924, as amended.

#### ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 19 minutes p. m.), the House, pursuant to its order previously entered, adjourned until Monday, January 28, 1935, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

165. Under clause 2 of rule XXIV a letter from the Chairman of the Securities and Exchange Commission, transmitting the Commission's report of the investigation of stock-exchange government, together with its recommendations (H. Doc. No. 85), was taken from the Speaker's table, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MONAGHAN: Committee on Interstate and Foreign Commerce. H. R. 2030. A bill authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarks-ton, Wash., and Lewiston, Idaho; with amendment (Rept. No. 26). Referred to the House Calendar.

Mr. TERRY: Committee on Interstate and Foreign Commerce. H. R. 2874. A bill granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.; with amendment (Rept. No. 27). Referred to the House Calendar.

Mr. CORNING: Committee on Interstate and Foreign Commerce. H. R. 3018. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.; with amendment (Rept. No. 28). Referred to the House Calendar.

Mr. TERRY: Committee on Interstate and Foreign Commerce. H. R. 3057. A bill granting the consent of Congress to the State of Oklahoma for constructing a bridge across the Arkansas River south of the town of Sallisaw in Sequoyah and Le Flore Counties at a point approximately 15 miles north of Keota, in the State of Oklahoma; with amendment (Rept. No. 29). Referred to the House Calendar.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. H. R. 3983. A bill to legalize a bridge (known as "Union Street Bridge") across the Dan River at Danville, Va.; with amendment (Rept. No. 30). Referred to the House Calendar.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. H. R. 3891. A bill to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C.; with amendment (Rept. No. 31). Referred to the House Calendar.

## CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1619) for the relief of Emil Gathmann; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 1908) for the relief of M. F. Powers; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 4365) for the relief of Anna Lilly; Committee on Naval Affairs discharged, and referred to the Committee on Military Affairs.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SUMNERS of Texas: A bill (H. R. 4742) to amend section 103 of the Code of Criminal Procedure for the Canal Zone and section 542 of the Code of Civil Procedure for the Canal Zone; to the Committee on Interstate and Foreign Commerce.

By Mr. LAMNECK: A bill (H. R. 4743) to reduce the internal-revenue tax on beer and other malt liquors; to the Committee on Ways and Means.

By Mr. SANDERS of Texas: A bill (H. R. 4744) to increase the public revenue of the United States of America by amending the Revenue Act of 1932; to the Committee on Ways and Means.

By Mr. DEEN: A bill (H. R. 4745) to provide for the co-operation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in education; to the Committee on Education.

By Mr. DOUGHTON: A bill (H. R. 4746) to terminate the special excise tax imposed by section 701 of the Revenue Act of 1926; to the Committee on Ways and Means.

By Mr. EICHER: A bill (H. R. 4747) to amend section 16a of the Interstate Commerce Act so as to provide for right of appeal from orders of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. FULMER: A bill (H. R. 4748) to provide for research work in connection with the utilization of southern agricultural products other than forest products, particularly whole cotton, for the purpose of providing new markets for the South's cotton crop other than as lint cotton; to the Committee on Agriculture.

By Mr. KNUTSON: A bill (H. R. 4749) to authorize the erection of a tablet to commemorate the discovery of the headwaters of the Mississippi River; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H. R. 4750) to provide further for the maintenance of United States Soldiers' Home; to the Committee on Military Affairs.

By Mr. RAYBURN: A bill (H. R. 4751) to amend section 24 of the Interstate Commerce Act, as amended, with respect to the terms of office of members of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. CONNERY: A bill (H. R. 4752) to incorporate the National Yeomen F; to the Committee on the District of Columbia.

By Mr. FADDIS: A bill (H. R. 4753) to authorize the issuance of a medal and ribbon for members of the army of occupation of Germany; to the Committee on Military Affairs.

Also, a bill (H. R. 4754) to provide for the protection and preservation of domestic sources of tin; to the Committee on Military Affairs.

By Mr. ALLEN: A bill (H. R. 4755) to provide minimum pay for postal substitutes; to the Committee on the Post Office and Post Roads.

By Mr. BOLAND: A bill (H. R. 4756) for the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves, and for other purposes; to the Committee on Naval Affairs.

By Mr. CULKIN: A bill (H. R. 4757) to prevent the obstruction of and burdens upon interstate trade and commerce in copyrighted motion-picture films and to prevent restraint upon free competition in the production, distribution, and exhibition of copyrighted motion-picture films (a) by prohibiting the compulsory block booking of copyrighted motion-picture films; (b) to compel the furnishing of accurate synopsis of all pictures offered to theater operators before the same have been released and reviewed; and (c) to amend section 2 of the Clayton Act to make it apply to license agreements and leases as well as sales in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. DREWRY: A bill (H. R. 4758) to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va.; to the Committee on Naval Affairs.

Also, a bill (H. R. 4759) to amend section 1 of the act of February 14, 1927, entitled "An act authorizing the Secretary of the Navy to accept, on behalf of the United States, title in fee simple to a certain strip of land and the construction of a bridge across Archers Creek in South Carolina"; to the Committee on Naval Affairs.

By Mr. FERNANDEZ: A bill (H. R. 4760) to increase the statutory limit of expenditure for repairs or changes to naval vessels; to the Committee on Naval Affairs.

By Mr. GASSAWAY: A bill (H. R. 4761) to validate certain conveyances by Kickapoo Indians of Oklahoma made prior to February 17, 1933, where a full and fair consideration has been paid, and to provide for actions in partition in certain cases, and for other purposes; to the Committee on Indian Affairs.

Also (by request), a bill (H. R. 4762) to create a commission to correct the membership rolls of the Five Civilized Tribes of Oklahoma (including the Mississippi Choctaw Indians), and for other purposes; to the Committee on Indian Affairs.

Also (by request), a bill (H. R. 4763) to enroll on the citizenship rolls certain persons of the Choctaw and Chickasaw Nations or Tribes; to the Committee on Indian Affairs.

By Mr. KNIFFIN: A bill (H. R. 4764) for the relief of the officers and men of the United States Naval and Marine Corps Reserves who performed flights in naval aircraft in connection with the search for victims and wreckage of the United States dirigible *Akron*; to the Committee on Naval Affairs.

Also, a bill (H. R. 4765) to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purposes", approved July 1, 1902; to the Committee on Naval Affairs.

Also, a bill (H. R. 4766) to provide for the payment of allowances and gratuities to naval prisoners; to the Committee on Naval Affairs.

Also, a bill (H. R. 4767) to amend section 1383 of the Revised Statutes of the United States; to the Committee on Naval Affairs.

By Mr. FISH: Resolution (H. Res. 73) requesting the names and addresses of all persons and corporations who own tax-exempt securities in the amount of \$100,000 or over; to the Committee on Ways and Means.

By Mr. BLANTON: Resolution (H. Res. 74) requesting the names and addresses of all persons and corporations who own Federal tax-exempt securities in the amount of \$50,000 or over; to the Committee on Ways and Means.

By Mr. McCORMACK: Joint resolution (H. J. Res. 136) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHNE: A bill (H. R. 4768) for the relief of O. H. Kreuzberger; to the Committee on Claims.

Also, a bill (H. R. 4769) for the relief of Henry N. Heironimus and Edwin D. Miller; to the Committee on Claims.

By Mr. BRUNNER: A bill (H. R. 4770) for the relief of Elinora Fareira; to the Committee on Claims.

By Mr. BULWINKLE: A bill (H. R. 4771) granting an increase of pension to William E. Norton; to the Committee on Pensions.

Also, a bill (H. R. 4772) for the relief of Elmer Wilson; to the Committee on Military Affairs.

Also, a bill (H. R. 4773) for the relief of Taylor Marlor; to the Committee on Military Affairs.

Also, a bill (H. R. 4774) granting an increase of pension to Charles L. Stewart; to the Committee on Pensions.

Also, a bill (H. R. 4775) granting an increase of pension to Henry G. Jones; to the Committee on Pensions.

Also, a bill (H. R. 4776) granting an increase of pension to Benjamin F. Shelton; to the Committee on Pensions.

Also, a bill (H. R. 4777) to provide for the advancement on the retired list of the Army of Vincent P. Rousseau; to the Committee on Military Affairs.

Also, a bill (H. R. 4778) granting an increase of pension to Guss Hughes; to the Committee on Pensions.

By Mr. BURNHAM: A bill (H. R. 4779) for the relief of Capt. Chester Gracie; to the Committee on Claims.

Also, a bill (H. R. 4780) for the relief of the widow and five minor children of Arturo Guajardo; to the Committee on Claims.

By Mr. CARTER: A bill (H. R. 4781) for the relief of Reginald Richard Dawson; to the Committee on Military Affairs.

By Mr. COCHRAN: A bill (H. R. 4782) granting an increase of pension to Elizabeth Barton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4783) for the relief of George E. Stuckey; to the Committee on Military Affairs.

By Mr. COLLINS: A bill (H. R. 4784) for the relief of J. T. Slayback; to the Committee on Claims.

By Mr. CROSS of Texas: A bill (H. R. 4785) for the relief of Abigh E. Norris; to the Committee on Claims.

By Mr. CUMMINGS: A bill (H. R. 4786) granting a pension to Margaret M. Boardman; to the Committee on Pensions.

By Mr. DARROW: A bill (H. R. 4787) to correct the naval record of Robert Nelson Campbell; to the Committee on Naval Affairs.

By Mr. DIMOND: A bill (H. R. 4788) authorizing the sale and lease of certain lands near Homer, Alaska, for use in connection with the Jesse Lee Home; to the Committee on the Public Lands.

By Mr. EKWALL: A bill (H. R. 4789) for the relief of the Coast Fir & Cedar Products Co., Inc.; to the Committee on Claims.

Also, a bill (H. R. 4790) for the relief of Squire Hensley; to the Committee on Military Affairs.

Also, a bill (H. R. 4791) for the relief of the Hauser Construction Co.; to the Committee on Claims.

By Mr. FLETCHER: A bill (H. R. 4792) granting an increase of pension to James E. Walker; to the Committee on Pensions.

Also, a bill (H. R. 4793) granting an increase of pension to Lucinda Lauck; to the Committee on Invalid Pensions.

By Mr. HOUSTON: A bill (H. R. 4794) for the relief of Zachara T. Edwards; to the Committee on Military Affairs.

By Mr. KENNEDY of Maryland (by departmental request): A bill (H. R. 4795) to reimburse officers, enlisted men, and civilian employees of the Army and their families and dependents, or their legal representatives, for losses sustained as a result of the hurricane which occurred in Texas on August 16, 17, and 18, 1915; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4796) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the naval radio station, Libugon, Guam, on April 15, 1932; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4797) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during a hurricane in Samoa on January 15, 1931; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4798) to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4799) to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4800) to authorize the settlement of individual claims for personal property lost or damaged arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4801) to authorize settlement, allowance, and payment of certain claims; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4802) authorizing adjustment of the claim of Schutte & Koerting Co.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4803) authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4804) authorizing adjustment of the claim of the Pennsylvania Railroad Co.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4805) authorizing adjustment of the claim of the Adelphia Bank & Trust Co. of Philadelphia; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4806) authorizing adjustment of the claim of Frank Spector; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4807) authorizing adjustment of the claim of the Wilmot Castle Co.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4808) for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4809) for the relief of the Western Electric Co., Inc.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4810) for the relief of Elda Geer; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4811) for the relief of George W. Miller; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4812) for the relief of Mrs. Carlysle Von Thomas, Sr.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4813) for the relief of certain disbursing officers of the Army, and for other purposes; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4814) for the relief of Lt. Col. Russell B. Putnam, United States Marine Corps; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4815) for the relief of Jasper Daleo; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4816) for the relief of A. Bruce Bielaski; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4817) for the relief of Matthew E. Hanna; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4818) for the relief of the First National Bank of Chicago; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4819) for the relief of the Western Union Telegraph Co.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4820) for the relief of Lawrence S. Copeland; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4821) for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4822) for the relief of Thomas F. Olsen; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4823) for the relief of Korber Realty, Inc.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4824) for the relief of Capt. George W. Steele, Jr., United States Navy; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4825) for the relief of Robert D. Baldwin; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4826) for the relief of the heirs of Burton S. Adams, deceased; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4827) for the relief of Don C. Fees; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4828) for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4829) for the relief of Weymouth Kirkland and Robert N. Golding; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4830) for the relief of the Washington Post Co.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4831) for the relief of L. E. Geary; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4832) for the relief of Dr. George W. Ritchey; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4833) for the relief of Ciriaco Hernandez and others; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4834) for the relief of Sanford A. McAlister and Eliza L. McAlister; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4835) for the relief of the West India Oil Co.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4836) for the relief of the Western Electric Co., Inc.; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4837) for the relief of Jay Street Terminal; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4838) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4839) for the relief of Alfred W. Kliefoth; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4840) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4841) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4842) for the relief of certain disbursing officers of the Army of the United States and for the settlement of an individual claim approved by the War Department; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4843) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature and other causes; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4844) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the naval radio station, Eureka, Calif., on January 17, 1930; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4845) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the naval training station, Hampton Roads, Va., on February 21, 1927; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4846) to provide for the reimbursement of certain enlisted men and former enlisted men of the Marine Corps for the value of personal effects lost, damaged, or destroyed by fire at the Marine Barracks, Quantico, Va., on October 5, 1930, to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4847) to allow credits in the accounts of certain disbursing officers of the Bureau of War Risk Insurance, Federal Board for Vocational Education, and United States Veterans' Bureau (now Veterans' Administration); to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4848) for the relief of Charles E. Molster, disbursing clerk, Department of Commerce, and Dr. Louis H. Bauer, a former employee; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4849) for the relief of White Bros. & Co., a partnership composed of John W. White, Jr., Will J. White, A. P. White, and Madison White; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4850) to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4851) to provide for the reimbursement of certain civilian employees of the naval operating base, Hampton Roads, Va., for the value of tools lost in a fire at Pier No. 7, at the naval operating base, on May 4, 1930; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4852) to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 4853) for the relief of Charles H. Holtzman, former collector of customs, Baltimore, Md.; George D. Hubbard, former collector of customs, Seattle, Wash.; and William L. Thibadeau, former customs agent; to the Committee on Claims.

By Mr. McLEOD: A bill (H. R. 4854) for the relief of Earl Kratz; to the Committee on Military Affairs.

By Mr. McREYNOLDS: A bill (H. R. 4855) for the relief of Jack C. Allen; to the Committee on Claims.

By Mr. MOTT: A bill (H. R. 4856) for the relief of Horace G. Wilson; to the Committee on Claims.

Also, a bill (H. R. 4857) for the relief of John Andrew Ramsdell, Jr.; to the Committee on Naval Affairs.

By Mr. RAMSPECK: A bill (H. R. 4858) for the relief of Edward Shippen West; to the Committee on Military Affairs.

Also, a bill (H. R. 4859) for the relief of John Thomas Veitch; to the Committee on Naval Affairs.

Also, a bill (H. R. 4860) for the relief of Judson Stokes; to the Committee on Claims.

By Mr. RANSLEY: A bill (H. R. 4861) to confer jurisdiction on the Court of Claims to hear and determine the claim of Francesco Pacifico; to the Committee on Claims.

By Mr. ROBSON of Kentucky: A bill (H. R. 4862) granting a pension to Miles S. Catchings; to the Committee on Pensions.

Also, a bill (H. R. 4863) granting a pension to Richard B. Hammer; to the Committee on Pensions.

Also, a bill (H. R. 4864) granting a pension to Eliza S. Rhodes; to the Committee on Pensions.

Also, a bill (H. R. 4865) granting a pension to Robert O. Higginbotham; to the Committee on Pensions.

By Mr. SHORT: A bill (H. R. 4866) granting a pension to Frank A. Boster; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 4867) granting a pension to Neil Francis McKendry; to the Committee on Pensions.

By Mr. WELCH: A bill (H. R. 4868) conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad; to the Committee on Claims.

By Mr. DIMOND: Joint resolution (H. J. Res. 137) authorizing a preliminary examination or survey of Valdez Harbor, Alaska; to the Committee on Rivers and Harbors.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

434. By Mr. BOILEAU: Resolution of the Wausau Division, No. 207, Order of Benefit Association of Railway Employees, favoring enactment of legislation as recommended by the Federal Coordinator and covered in House bill 8100 of the Seventy-third Congress; to the Committee on Interstate and Foreign Commerce.

435. By Mr. BRUNNER: Resolution of the supreme board of directors of the Knights of Columbus, held on January 13,

1935, in the city of New York, regarding the conditions in Mexico; to the Committee on Foreign Affairs.

436. By Mr. BUCKLER of Minnesota: Petition of Norman Dall, W. W. Adams, and 175 other citizens of Fergus Falls, Minn., and vicinity, requesting the support and the enactment of the Townsend old-age pension plan into Federal legislation; to the Committee on Ways and Means.

437. By Mr. CULKIN: Petition of certain citizens of Oneida, N. Y., favoring the Townsend old-age revolving pension; to the Committee on Ways and Means.

438. By Mr. GOODWIN: Petition of Thomas H. Purcell and other residents of Columbia County, N. Y., opposing the entrance of the United States into the World Court; to the Committee on Foreign Affairs.

439. By Mr. KENNEDY of New York: Memorial in the nature of a resolution of the Ancient Order of Hibernians in America, Division No. 29, located in the city of New York, that—whereas the year 1935 marks the one hundred and fiftieth anniversary of the termination of the services of Commodore John Barry, the father of the American Navy to the Revolutionary Navy, and whereas it has been thought that a postage stamp in commemoration of the deeds of valor on land and sea rendered to our infant Republic would be a fitting tribute to this gallant Irishman, be it resolved that the members of Division No. 29, Ancient Order of Hibernians, are heartily in accord with this method of honoring the father of the American Navy, and be it further resolved that we request our Representative in Congress and the two United States Senators from the State of New York to use their influence with the Post Office Department of the United States and in their respective Houses of Congress to the end that a stamp be issued in commemoration of Commodore John Barry; to the Committee on the Post Office and Post Roads.

440. By Mr. KVALE: Petition of the Townsend Club of Glenwood, Minn., endorsing the Townsend plan for old-age pensions; to the Committee on Labor.

441. By Mr. MEAD: Petition of Erie County (N. Y.) Board of Supervisors, urging passage of the \$4,000,000,000 Federal Public Works appropriation bill; to the Committee on Appropriations.

442. Also, petition of the Senate of the State of New York, regarding the persecution of religious people in Mexico; to the Committee on Foreign Affairs.

443. Also, petition of the directors of the Knights of Columbus of New York City, regarding the persecution of religion in Mexico; to the Committee on Foreign Affairs.

444. By Mr. PATMAN: Petition of Maggie Forsyth, Charles Hutchinson, and eight other citizens of Red River County, Tex., for an old-age-pension law, and particularly the Townsend plan; to the Committee on Ways and Means.

445. Also, petition of J. A. Evans, F. R. Stubbs, and eight other citizens of Red River County, Tex., for an old-age pension law, and particularly the Townsend plan; to the Committee on Ways and Means.

446. Also, petition of J. W. Wiley, D. M. Stone, and seven other citizens of Cass County, Tex., for an old-age pension law; to the Committee on Labor.

447. By Mr. PFEIFER: Petition of the Central Trades and Labor Council of Greater New York and vicinity, New York City, protesting against the continuance of the Federal pay cut of postal employees; to the Committee on the Post Office and Post Roads.

448. By Mr. RUDD: Petition of the Central Trades and Labor Council of Greater New York and vicinity, concerning House bill 2786, to repeal Government wage cuts as of January 1, 1935; to the Committee on Expenditures in the Executive Departments.

449. By Mr. SMITH of West Virginia: Petition of John Peters and other citizens of Raleigh County, W. Va., urging the passage of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

450. By Mr. SWEENEY: Resolution passed by Cleveland Deanery Council of the National Council of Catholic Women, favoring legislation for the humanizing of the immigration laws; to the Committee on Immigration and Naturalization.

451. Also, resolution of the order of Benefit Association of Railway Employees, favoring support of the Pettengill bill (H. R. 8100); to the Committee on Interstate and Foreign Commerce.

452. By Mr. TREADWAY: Petition of employees of L. L. Brown Paper Co., Adams, Mass., protesting against the Black-Connelly bill or similar 30-hour labor legislation; to the Committee on Labor.

453. By Mr. TRUAX: Petition of the Disabled American Veterans of the World War, Cuyahoga Chapter, Cleveland, Ohio, by their adjutant, David Wise, representing the sentiments of the 4,500 disabled veterans of Cuyahoga County, favoring the immediate payment of the adjusted-service certificates with the cancelation of all interest charges, and that they are 100 percent back of the American Legion and the Veterans of Foreign Wars in their fight for this cause; to the Committee on Ways and Means.

454. Also, petition of Jeff D. Patterson and many others from Toledo, Ohio, urging the Congress of the United States to enact the old-age-pension bill as sponsored and approved by Dr. J. E. Pope, editor of the National Forum and president of the National Old Age Pension Association and the Non-partisan Voters' Secret League, as embodied in House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma, embracing the following: A Federal pension of \$30 to \$50 per month to every man and woman above the age of 55, financed on a contributory basis or a tax on the earnings of persons between the ages of 21 and 45; same to be free from State and local administration or interference; to be a Nation-wide, impartial, and uniform system of old-age pensions; to the Committee on Ways and Means.

455. Also, petition of Orphan's Hope Lodge, No. 466, Brotherhood of Locomotive Firemen and Enginemen, Dennison, Ohio, by their recording secretary, L. E. Barth, requesting that the Congress of the United States support and enact into law the following measures: Soldiers' bonus bill, full-crew bill, 6-hour day, unemployment insurance, pension bill, bus and truck regulations by Interstate Commerce Commission, train-length limit bill, and the modification of the hours-of-service law; to the Committee on Labor.

456. Also, petition of the United Brotherhood of Carpenters and Joiners of America, Local Union No. 224, Cincinnati, Ohio, by their secretary, Carl Poppe, strenuously opposing the applying of bulletin P. W. 23709, dated December 4, 1934 (sent to all State engineers of the Federal Emergency Administration of Public Works, outlining principles in order to facilitate the application of Public Works Administration labor and wage provisions and wage scale on open-shop carpentry work), on carpentry work on any Public Works Administration project, as this would be the ruination of union labor throughout the United States; to the Committee on Labor.

457. By Mr. WEAVER: Petition of various citizens of the Eleventh Congressional District of North Carolina, favoring the enactment of the Townsend old-age-pension legislation; to the Committee on Ways and Means.

## SENATE

MONDAY, JANUARY 28, 1935

(Legislative day of Monday, Jan. 21, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Friday, January 25, 1935, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its clerks, announced that the House had passed a bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes, in which it requested the concurrence of the Senate.

### EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, I presume under the unanimous-consent agreement—

The VICE PRESIDENT. The Senate resolves itself into executive session under the order of the Senate.

Mr. ROBINSON. I was just about to state, Mr. President, that automatically, under the agreement, the Senate will proceed to the consideration of executive business.

### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

### EXECUTIVE REPORTS OF COMMITTEES

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of William Denman, of California, to be United States circuit judge for the ninth circuit to succeed William B. Gilbert, deceased.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

### BUSINESS TRANSACTED AS IN LEGISLATIVE SESSION

During the executive session the following legislative business was transacted by unanimous consent:

### REPORT OF WAR FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, reporting, pursuant to law, relative to the War Finance Corporation (in liquidation) covering the period from January 1, 1934, to December 31, 1934, which, with the accompanying papers, was referred to the Committee on Finance.

### WARD J. LAWTON

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a draft of proposed legislation for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce, which, with the accompanying paper, was referred to the Committee on Claims.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Senate of the State of Nebraska, memorializing Congress to include the building of free interstate bridges across the Missouri River as Public Works Administration projects, which was referred to the Committee on Commerce.

(See resolution printed in full when presented today by Mr. NORRIS.)

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Oklahoma, which was referred to the Committee on the Library:

### House Concurrent Resolution 3

A concurrent resolution memorializing the President and Congress of the United States to establish a national memorial park on the site of the Battle of the Washita, near Cheyenne, in Roger Mills County

Whereas the United States Public Works Administration, under the direction of the Department of the Interior, is at the present time engaged in the acquisition of a site for, and the construction of, a dam on the Washita River for flood-control and irrigation purposes; and

Whereas adjacent to the site of said proposed dam lies the site of the Battle of the Washita, fought in 1868 between the Seventh United States Cavalry, under the command of Gen. George A.